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ABSTRACT

The third in a series that examines the role of radio broadcasting in the process of socioeconomic and cultural change in three countries with different types of broadcasting organization--Austria, Czechoslovakia, and Venezuela--this volume focuses on Venezuela. An overview of radio broadcasting in Venezuela describes various aspects and provides a structural analysis of the system components, with particular reference to the organization of ownership and the use of assigned radio frequencies. A diachronic comparison of the evolution of radio broadcasting in Venezuela (1947/1980) is also provided. An economic analysis of Radio Rumbos/Rumbos Compania Anonima, one of the most important stations, considers the investments, expenditures, and income of the station, which is representative of the present situation of organic, functional, and financial concentration characterizing radio broadcasting in Venezuela. Based on a review of one week's broadcasts from Radio Rumbos, the concluding chapter discusses the contents and concomitant program organization of the radio broadcasting system, emphasizing the relationship between economic factors and station programming. (LMM)

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Communication and Society 12

Socio-economic Aspects of National Communication Systems

III. Radio Broadcasting in VENEZUELA

Prepared by ININCO

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SOCIO-ECONOMIC ASPECTS OF NATIONAL COMMUNICATION SYSTEMS

III. RADIO BROADCASTING IN VENEZUELA

Prepared by ININCO

(Institute of Communication Research,
Central University of Caracas)

Preface

This report was prepared by a team of researchers, under the supervision of Dr. Oswaldo Capriles, at the Instituto de Investigaciones de la Comunicación (ININCO)[1] of the Central University of Venezuela. It is part of a Unesco project comparing three different types of national radio broadcasting systems : public, semi-public and private. Venezuela was chosen as representative of the "private" model of radio broadcasting.

The research team comprised : Professor Rafael Zapata, Margarita Graziano, Carmen Amelia Armas, Rafael Gómez Abreu, Elizabeth Safar, Héctor Acosta, Andrés Gacitúa and Alberto Aoun. Several other researchers also assisted in the preparation of this study : Lucía Castañeda, Luis Pérez and Edith Higuera.

Unesco would like to express its appreciation to all professionals who contributed to this study, and especially to the national broadcasting institutions which provided statistics, data and other information.

The authors are responsible for the choice and the presentation of the facts contained in this report and for the opinions expressed therein, which are not necessarily those of Unesco and do not in any way commit the Organization.

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(1) Institute of Communication Research, Caracas, Venezuela.

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INTRODUCTION

Orientation and methodology

Although it is assumed that Venezuela represents a "private" radio broadcasting system, it is our feeling that, from the very outset, the use of this term should be qualified. The legislation governing radio broadcasting in Venezuela supports the principle of national State control of radio broadcasting. However, in reality, the actual system (the sum total of operating radio services) functions as an "inauthentic mixed regime", that is, a system which in theory is public-private, but in practice is completely controlled by the private sector.

In fact, as demonstrated in various studies - primarily the RATELVE Project carried out by the Comisión Preparatoria del Consejo Nacional de la Cultura (Preparatory Commission of the National Council on Culture)(1) in 1974/75 - the present system of radio broadcasting in Venezuela is characterized by a de facto monopoly of private radio stations, which operate on the basis of revenue derived from advertising. At present there are 143 private commercial radio stations while there is only 1 private non-commercial station and only 4 State-controlled public service stations. There are also 4 other stations that are financed by the State but function as part of the private commercial sector.

Chapter I of this study presents an overall view of radio broadcasting in Venezuela, including descriptive aspects, and a structural analysis of the various components of the system, with particular reference to the organization of ownership and the use of assigned radio frequencies. A diachronic comparison of the evolution of radio broadcasting in Venezuela (1947/1980) is also provided.

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(1) Comisión Preparatoria del Consejo Nacional de la Cultura, Proyecto Ratelve (diseño para una nueva política de radiodifusión del Estado Venezolano), Caracas, Editores Librería Suma, 1977, 361 p.

Chapter II presents an economic analysis of a specific broadcasting enterprise, one of the most important stations in the country, both in economic terms as well as in range of penetration. The analysis takes into account the investments, expenditures and income of the station, which is representative of the present situation of organic, functional and financial concentration characterizing radio broadcasting in Venezuela. For this part of the study, it was necessary to use a somewhat approximative methodology - based on minimum and maximum estimates and calculations - due to the difficulty of obtaining reliable statistics from the private sector. Furthermore, one may question the accuracy of the figures that were obtained from the private sector or from Radio Rumbos, the station examined in this chapter, as they do not correspond to other official statistics and are even quite contradictory in themselves. In spite of these problems, we belive that we have achieved a sufficiently reliable "diagnosis".

Chapter III deals with the contents and concomitant programme organization of the radio broadcasting system. The primary emphasis of this chapter is one the relationship between economic factors and station programming, based on a review of one week's broadcasts from Radio Rumbos.

Due to the aforementioned difficulty in obtaining much of the information requested by Unesco in its "Research Guidelines", we have adopted the following dual methodology : 1) when possible (as in Chapter I), a national/global approach was used ; 2) in other instances when a global approach was not possible, we have relied on a description of the Rumbos case, viewed as a typical, representative example of the major existing radio broadcasting structures in Venezuela.

We should also call the reader's attention to certain problems of terminology in this text. Although it is beyond our means to provide an exhaustive glossary, it should be pointed out - especially to European readers - that when we use the term "programme" we are referring to specific self-contained broadcasting items. For example, the morning newscast constitutes a "programme". This use of "programme" differs from the more general European

usage, according to which it denotes specific qualitative levels of programming. Thus one would refer to the "first programme", "second programme", etc., each of which would include a series of "programmes" in our sense of the term. In addition, the use of the words "network", "circuit" and "system" also presents certain difficulties. Although we have defined their usage in our text (see Chapter I) when used by the radio stations themselves, there is a high degree of inconsistency. The reader is therefore advised that our definitions of these terms do not always coincide with those employed by the private sector, especially when referring to specific entities and structures.

A brief summary of the historical evolution of radio broadcasting in Venezuela

Radio broadcasting was introduced in Venezuela after the consolidation of the country's oil industry. The first license was granted in 1924 to the aide-de-camp of the son of Juan Vicente Gómez, the "tyrant of the Andes" who ruled Venezuela from 1908 to 1935. The license was for the sale and rental of radio receivers through the Empresa Venezolana de Radiotelefonía (Venezuelan Radio Telephony Company). Various high officials of the national government participated in this venture.

According to the terms of the agreement, a broadcasting station, known as the Estación Broadcasting Central de Caracas (Central Broadcasting Station of Caracas), was to be set up for the diffusion of "radio concerts", which was the only type of programme allowed by the government. In fact, the "radio concert" category actually included not only the music of orchestras and bands, and solo singers, but also "a certain kind of comedy, news (read from the Nuevo Diario, the unofficial organ of the government), and government programmes".(1)

The pioneers of Venezuelan commercial radio broadcasting were formed through the experiences of the Estación Broadcasting Central, which lasted from

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(1) Alfredo Cortina, Breve historia de la radio en Venezuela, Caracas, Fundarte, 1980.

1924 to 1928. One of the unsurmontable problems faced by the station was that of revenue. There were few sales of radio receivers and even fewer rentals, as the natives of Caracas lost no time in learning how to make their own amateur sets, thus evading the monthly rental fee, which was beyond their means.

During this period radio broadcasting existed by virtue of a "special permit" whose legal basis was the Reglamento de Radiotelegrafía y Radiotelefonía (Radio Telegraphy and Radio Telephony Regulations) of 1921. This legislation stipulated that the governement could transfer to individuals the right to found and exploit services such as radio telegraphy, radio telephony and any other means which might be invented. It provided the model for Venezuelan commercial radio broadcasting when, in 1930, official permission was sought to operate the Broadcasting Caracas station. A "temporary permit" was granted, which was valid until 1932 when the first Reglamento de los Servicios de Radiodifusión (Radio Broadcasting Regulation) was enacted.

It is interesting to note that from its very inception, the principal interest of the Broadcasting Caracas station was to establish a commercial programming system. The "première" broadcast, of 11 December 1930, was promoted as a programme sponsored by the Radio Corporation of America (RCA), the Holandesa Steamship Company, Benzo and Cia and the Frigidaire Corporation. The only parts of the programme that were not commercial were the introduction and sign-off. Moreover, the radio receivers were sold by "El Almacén Americano", the store that owned the station. In this première programme more than 54 % of the music was European or North American, less than 18 % was Latin American, less than 14 % was Venezuelan and less than 14 % was of unidentifiable origin(1).

Of the six stations granted licenses in 1932, four broadcast in Caracas and two in Maracaibo. Two of the four Caracas stations, Broadcasting

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(1) See Angel Bustamente, Historia de la Programación - Radiodifusión en Venezuela, Caracas, UCV, Faculty of Humanities : Education, 1980. (Mimeographed thesis for university degree).

Caracas and Radiodifusión Venezolana, were owned by well-established Venezuelan businessmen.

At the death of Juan Vicente Gómez (1935), of the sixteen stations with official operating licenses, eight were located in Caracas (50 %), four in Maracaibo (25 %), two in Valencia (12.5 %), and one each in Maracay (6.25 %) and San Cristobal (6.25 %). Thus 100 % of the existing radio transmitters were to be found in the Central-Western region of the Coastal-Mountain area of Venezuela. (Although this accounted for only 25 % of the land surface of the country in this period, approximately 70 % of the population lived in this region).

It is striking that the very first years of radio broadcasting in Venezuela were marked by the direct programme sponsorship of industry and business. This sponsorship is evident from the names of many of the early radio programmes : Víctor Hour, Odeón Hours, Lucky Strike Hour, etc...

During this period there was no programme planning as such. The programming varied according to the criteria of the sponsors, who in their capacity as advertisers, decided what programmes were to be aired.

Under the government of Eleazar López Contreras (1936/1941) the importance of radio as a means of disseminating information was recognized. The first Ley y Reglamento de Telecomunicaciones (Telecommunications Law and Regulation) was enacted in 1936/1937 and in 1940 another Law and Regulation was adopted. In 1941 the Reglamento de Radiocomunicaciones, otherwise known as the Reglamento Pocaterra (Radio Communication Regulation ; Pocaterra Regulation) was passed, which is still in force.

The government of López Contreras was the first to speak of a national radio broadcasting network, and of the use of radio for purposes of information and education. However, it lacked a coherent plan for carrying out a national policy. The laws and regulations enacted during this period established an organizational administration, provided rules on spectrum

allocation and standards for technical quality and contents. Since the period of López Contreras (1940/1941) up to the present there have not been any significant changes in Venezuelan broadcasting legislation.

During the period from 1936 to 1952, from the enactment of the first Telecommunications Law up until the introduction of television in Venezuela, there was a considerable increase in the number of radio stations. For example, already in 1945 there were enough stations in the Federal District and the state of Miranda to found the "Cámara de la Industria de la Radio del Distrito Federal y del Estado Mirando" (Chamber of the Radio Industry of the Federal District and the State of Mirando). This was the forerunner of the "Cámara Venezolana de la Industria de la Radio" (Venezuelan Chamber of the Radio Industry), the national organization that was established in 1950.

From its very founding the "Cámara de la Industria de la Radio" has played a very important role in governmental decisions relating to the media. It has at its disposal a number of radio stations and other mass media, used to make public its positions on important issues. It is a powerful pressure group which usually works in association with other influential groups such as the "Asociación Nacional de Anunciantes, ANDA" (National Association of Advertisers), created in 1957, the "Federación Venezolana de Agencias Publicitarias, FEVAP" (The Venezuelan Federation of Advertising Agencies), founded in 1958, and the "Cámara de la Industria de la Televisión" (Chamber of the Television Industry), founded in 1973.

In 1937 there were some nineteen radio stations broadcasting on "commercial waves", in the words of Luís Yépez, H.[1] They were concentrated in Caracas and Maracaibo (twelve stations or licenses). All of these stations were located in the Coastal-Mountain region, which has the most dense population and the highest per capita purchasing power in the country.

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(1) Luís Yépez, H. Apuntes Radio Históricos, Caracas, Editorial Elite, 1937.

In 1939 there were twenty-five radio stations, four others were being built and one frequency was reserved for the State. It was not until 1946 that the first national radio station, "Radio Difusora Nacional de Venezuela" (National Radio Station of Venezuela) began functioning. At this time there were approximately fifty commercial radio stations operating in Venezuela.

The arrival of television

Television broadcasting, which began on a permanent basis in 1953, had a decisive effect on radio broadcasting. Although the first television station, "Televisora Nacional" (Channel 15) was founded by the State, soon afterwards the broadcasting horizon was dominated by private networks, which, for all practical purposes, resulted in the substitution of the public service by the commercial system.

It was not long before advertisers turned to television for the promotion and sale of their products. The radio broadcasting market that was most affected by this turn of events was the most important and powerful, that of the capital. The majority of radio stations in Caracas first experienced the results of the crisis in 1954, which became more serious with the launching of "Radio Caracas TV".

Although the major consequences of the arrival of television was a drastic decrease in the advertising revenue of the radio stations, there were other secondary effects. For example, radio's best artists and technicians began to work for television.

Generally speaking, it was thought that radio broadcasting was condemned. The licenses and their associates no longer felt it to their advantage to invest in the business of radio broadcasting.

However, there were exceptions to this rule. For example, in 1951, a new owner took control of Radio Rumbos, founded in 1949. He purchased more powerful transmitters, created his own circuit of radio stations - the Rumbos

Circuit - and changed the programming to the following format : News - "Radionovelas" - Music - News - "Radionovelas" - Music - News - Music. This structure has been maintained by Radio Rumbos since 1959, when Noti-Rumbos[1] was launched.

While the position of radio broadcasting was on the decline, that of TV was consolidated. The two private television channels, 2 and 4, set out to capture the major part of the national market. As television increased its coverage to the most densely populated regions of the country, advertising revenue became increasingly concentrated in the new medium.

In order to survive, radio broadcasting was thus obliged to seek out new audiences, and new ways of making these audiences attractive to advertisers and publicity agents. The arrival of the transistor radio and the magnetic tape provided this opportunity. The transistor radio meant that audience could listen to the radio anywhere, while the magnetic tape allowed broadcasters to present the right programme at the right hour. Radio artists and singers could also record their programmes at their own convenience. In addition, the massive use of the automobile, especially those equipped with radio receivers, provided broadcasters with an enormous "captive audience".

Radio broadcasters also analysed TV audiences in order to restructure radio programming. For example, the long evening programmes were abolished, as their audience had turned to TV. Priority was given to day programmes. Peak listening periods were determined and radio broadcasters chose to concentrate on specific audiences, defined on the basis of income, age and occupation. During this period (1960/1970) increasing attention was paid to a new audience that had previously been ignored : youth, which proved to be an important part of the consumer market.

While these innovations were being carried out in radio broadcasting, both radio and television co-existed in the "Cámara Venezolana de la Industria

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(1) "Noti-Rumbos" stands for "Noticias Rumbos" or "Rumbos News"

de la Radio y Televisión" (Venezuelan Chamber of the Radio and Television Industry). However, the competition between the two media for advertising revenue led to their separation. This took place in 1973 when the "Cámara de Radiodifusión" (Chamber of Radio Broadcasting) reverted to its former name and the "Cámara Venezolana de la Televisión" (Venezuelan Chamber of Television) was founded.

In Cultura y Comunicación de Masas (1963, 1970), Antonio Pasquali made a number of quantitative observations on radio broadcasting. In 1963, 83 radio stations were registered with the "Ministerio de Comunicaciones" (Ministry of Communications). This figure increased to 128 in 1970, 142 in 1975 and 153 in 1978. For 1980, this figure ranges from 152 to 162 radio stations.

The major programme categories used on Venezuelan radio stations are advertising and light music. However, this does not mean that these are obligatory genres used on every station. Indeed, in recent years there has been a progressive specialization of radio stations in terms of the types of programmes aired as well as the time at which they are scheduled. This specialization, in the final analysis, indicates that radio broadcasting, like television, is increasingly concerned with reaching specific consumer markets in the listening audience. (This point will be elaborated on in Chapter III).

The present situation

In recent years the mass media in Venezuela have been characterized by both horizontal and vertical concentration. Thus Venevision, Channel 4, not only provides television coverage for the most densely populated area of the country, but, in 1977, with the purchase of Ondas Populares, also created a radio circuit, Radio-Visión. This circuit has thirteen radio stations : three in the Central part of the country ; two in the West ; five in the North-west and three in the Andes.

Another example is that of Radio Caracas TV, Channel 2, which owns Radio Caracas, the former "Broadcasting Caracas". It also controls the Diario de Caracas and has founded several companies which own publishing houses and theatres.

Finally, we would like to emphasize an extremely important feature of the actual structure of radio broadcasting in Venezuela : the increasing tendency towards oligopolistic and monopolistic control. However, it should also be pointed out that, for the purposes of this study, this tendency is very difficult to document as the form of ownership concentration is highly complex. This complexity, which is found in all areas of the radio broadcasting system in Venezuela, has made it necessary to use various "estimates" and "calculations based on minimum and maximum projections" that allow for what may be considered as excessively high margins of error. None the less, we feel that these approximations constitute the only serious approach to the study of so difficult a subject as the present broadcasting structure of Venezuela.

CHAPTER I

BASIC CHARACTERISTICS OF RADIO BROADCASTING IN VENEZUELA

I.1 General information

According to the latest data available, in 1980 there were 154 radio broadcasting stations in Venezuela, with a total operating power of 2,027 kWs (the average per station being 13.16 kWs). This figure, in itself, indicates the dispersion and atomization of the radio broadcasting system, which would be even more evident if one took into account the public/private and commercial/non-commercial categories.

This situation may be explained by the eminently commercial function of the Venezuelan radio system. Moreover, this function has been carried out to the detriment of local "exploitation", which has exacerbated the functional dispersion and led to the concentration of operating power in the most profitable areas, particularly in the commercial and industrial urban centres. Thus one finds that only six states have an overall operating power of 100 kWs or more, and that the total operating power of these six states is almost 70 % of the absolute total power of the entire country, with more than 30 % of this total being concentrated in the Federal District. The operating power of these six states is as follows :

State	Operating Power	% of National Total
Anzoátegui	101 kWs	5.24 %
Aragua	101 kWs	5.24 %
Lara	125 kWs	6.75 %
Nueva Esparta	130 kWs	6.75 %
Zulia	248 kWs	13.13 %
Distrito Federal (Federal District)	625 kWs	34.25 %
Total	1,330 kWs	71,36 %

In general, 87 % of the stations have an assigned operating power

of 10 kWs or less, while only five stations, representing scarcely 3 % of the total, have an assigned power of 100 kWs. These figures only refer to the assigned power as there are no controls or specific data on the actual transmitting power of each station. Radio stations are legally classified in categories of A, B, and C, which correspond to a specific range of operating power :

Stations	Power
Category A	50 kWs (minimum)
Category B	5 to 10 kWs
Category C	1 to 5 kWs

In August 1980 the Dirección de la Ingenería del Ministerio de Transporte y Comunicaciones (Engineering Office of the Ministry of Transportation and Communications) approved a project for the installation of a system of technical verification of radio broadcasts, one of whose many functions will be the measurement and control of the actual operating power of radio stations. (For further information, please refer to the Annexes). At present, in the absence of precise data, one may conclude that the actual operating power is almost always inferior to the assigned power, which has very serious implications, given that the power of a broadcasting station is the key determinant of coverage. This in turn affects the calculation of advertising rates, which are based on the assigned operating power, thus allowing for obviously fraudulent practices.

Moreover, the fact that most radio stations are located almost exclusively in the capitals of the Federal States results in the marginalization of the rest of the population, which precisely because of its isolation and distance from urban centres has the greatest need for public service media. It should also be pointed out that the potential penetration of radio, based on the ownership of radio receivers per household, is 93.5 % in urban zones, 83.99 % in rural areas, and 91.4 % for the entire country. In the light of this data, it is contradictory that such a high degree of potential radio penetration is not being met by the media owners, who have failed to make available to the public radio programmes that are consonant with its needs.

Table I.1 Households classified according to ownership of radio receivers

		Urban area	%	Rural area	%	Total area	%
OWNERSHIP	Total n° of households	1,917,238	100	502,829	100	2,420,067	100
	Households with radio	1,789,762	93,35	422,345	83.99	2,212,107	91.40
	Households without radio	119,846	6.25	76,854	15.29	196,700	8.13
	No reply	7,630	.40	3,630	0.72	11,260	0.47
LISTENING AUDIENCE	N° of radio sets turned on	556,632		141,494		693,126	
	N° of radio sets not turned on	1,328,135		340,114		1,668,249	
	No reply	32,471		21,221		53,692	

Source : Household survey conducted in 1980 by the Oficina central de Estadística e Informática (OCEI), (Central Office of Statistics and Informatics).

This situation would not be as serious if it were somewhat remedied by a diversified programming, taking into account regional communication needs. Unfortunately, this is not the case. On the contrary, the vast majority of radio stations have a virtually homogenous programming which consistently repeats the formula of radionovelas-music-news-advertising. Moreover, there is a striking uniformity of contents offered by the different radio stations, which is particularly evident in the musical contents of these programmes, due to the system of promoting "favourite" songs in accordance with prevailing commercial arrangements. This may be viewed as another manifestation of the marginalization of the provinces, especially the rural and frontier areas, for the predominance of the capital is expressed not only in terms of the concentration of radio stations and operating power, but also in the production and commercialization of radio messages. The radio stations that produce the radionovelas and newscasts and establish the rate of promotion for "favourite" songs are located in Caracas (the capital of both Venezuela and the Federal District). All of these programmes are either sold or marketed for affiliates through ownership ties or by the rental of the programmes for retransmission.

A comparison of public and private radio stations indicates that the private sector controls the vast majority, both in terms of the number of stations as well as the concentration of assigned operating power, which also holds true when one compares commercial and non-commercial stations. This is evident from the following tables :

Table I.2

Number of radio stations (Commercial and non-commercial)

	Private	Public	Total	%
Commercial	143	4	147	96.75
Non-commercial	1	4	5	3.25
Total	144	8	152	
%	94.81 %	5.19 %		100.00 %

Table I.3

Operating power of stations (kWs)

	Private	Public	Total	%
Commercial	1,807 kWs	90 kWs	1,897 kWs	93.59 %
Non-commercial	10 kWs	120 kWs	130 kWs	6.41 %
Total	1,817 kWs	210 kWs	2,027 kWs	
%	89.64 %	10.36 %		100.00

The predominance of commercial radio broadcasting in Venezuela is even more overwhelming when one compares private commercial stations with public non-commercial stations :

	N°	%	Power	%
Private commercial stations	145	94	1,807 kWs	89
Public non-commercial stations	4	3	120 kWs	6

Note : The percentages are calculated on the basis of total national figures.

The basic features of radio broadcasting in Venezuela presented this far emphasize the dispersion of the system, which is dysfunctional in every sense, even from a commercial standpoint. In fact, this dispersion contradicts the prevailing tendency towards concentration, which characterizes every sector of the economy and assumes the dominant form of industrial-commercial monopolies and ologopolies. As a countervailing logic, necessary in order to compensate for the disadvantages of dispersion, the media structure has generated two major responses. First of all, the most important radio station owners work together, as an interest group, through the Cámara Venezolana de la Industria de la Radiodifusión (The Venezuelan Chamber of the Radio Broadcasting Industry). The stated objective of this group is "to defend by all legal means freedom of expression in all mass information and communication media... to defend the freedom to receive any

type of radio broadcast... to defend... freedom of programme compilation.(1)

The Cámara de la Industria de la Radiodifusión has consistently opposed any government efforts to regulate and/or intervene in radio broadcasting for the purposes of improving or at least attenuating the excesses committed to the detriment of the listening public because of advertising and programming priorities. In October 1980, 140 radio stations were members of this association, that is, 96 % of the total number of private radio stations.

The other major response of owners has been to form radio circuits, which operate primarily through a powerful main station. The latter's concentration of resources enables it to absorb a great number of smaller stations.

The 1970s were marked by an increased tendency towards a concentration of ownership of radio broadcasting stations. For example, two of the country's most powerful media circuits are owned by the same group of proprietors : Radiofónica National Network (twelve stations - 220 kWs of accumulated operating power), and Radiovisión Circuit (thirteen stations - 324 kWs of accumulated operating power). Table 1.4 clarifies this situation. One finds that 78.57 % of the country's radio stations are affiliated to circuits.

I. 2 Legal aspects of radio broadcasting in Venezuela

Ownership structure

Before entering into a detailed analysis of this question, it would be wise to preface our remarks by reference to the present media situation in Venezuela : starting in the early 1970s a process was initiated which implied an awareness of the need for regulating the activities of the mass media. The origin of this process was undoubtedly closely related to the national and international debates on National Communication Policies. Moreover, partially in response to this discussion, there has been a progressive tendency towards regulation of the media sector. However, although there is

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(1) Statutes of the Cámara de la Industria de la Radiodifusión (quoted by O. Capriles in : El Estado y los Medios de Comunicación en Venezuela, Caracas, Editorial Suma, 1976, p.116.

Table I. 4

Radio circuits

Name of circuit	Founding date	No. of stations	Accumulated power (kWs)
Radiofónica National Network	12/02/72	12	220
Fonocolor Circuit	01/05/62	2	20
Nacional Rumbos Circuit	01/08/60	6	150
Rumbos Systems C.A.(1)	01/08/60	22(2)	174(2)
Radiovisión Circuit	31/05/74	13	324
Radiofónico Govder Circuit	01/10/55	5	95
Radio Continent Circuit	01/03/58	2	30
Radiofónica Limitada Soball C.A. Corporation	14/11/72	34	290
Radio Celis Network	17/10/77	19	167
Radiofónicos HD, C.A. Systems and Services	01/07/78	9	121
Total for stations in circuit		119	1,541
% of Total commercial stations		81,2 %	82 %
% of all stations in Venezuela		78.57 %	76.76 %

(1) C.A. stands for "Compania Anónima" (Limited Company)
(2) The Rumbos Systems includes the stations belonging to the circuit (with the exception of Radio Rumbos).

now a recognized need for a national communications policy, defined as a "systematic and coherent body of standards and principles for regulating activities in this sector", in reality this policy has taken the form of a diffuse and at times contradictory set of rules.

Our task is therefore not a simple one. We shall attempt, on the one hand, to present the specific system and ownership structure reflected at the legal level and established through the first laws and regulations in this sector. Based on this preliminary analysis, our presentation will then focus primarily on the normative elements that might have implied a redefinition or reaffirmation of the original concepts.

Basic legal instruments

Today, more than forty years after their promulgation, the two basic regulations for the radio broadcasting system are still the Ley de Telecomunicaciones (Telecommunications Law) of 29 July 1940 and the Reglamento de Radiocomunicaciones (Radio Communications Regulation) of 7 February 1941. These two legal instruments contain the regulating principles of the radio broadcasting system, which may be analysed in function of :

1) The role of the State in establishing its exclusive competence in the area of radio services.
2) Aspects related to the granting of licences or permits.

Chapter I of the Ley de Telecomunicaciones ("On the Rights, Responsibilities and Obligations of the Nation") establishes the legal basis for the functioning of the media, viewed from the first perspective. Article I contains the following specification :

> ...Unless otherwise stipulated in this Law or other Special Laws, the establishment and exploitation of any telegraphic system of communication, using words, symbols, signs, images or sounds, by wires or electric or visual transmitting systems, ...are under the exclusive control of the State.

This article also clearly indicates that the "Federal Executive",

acting through the appropriate ministry, is responsible for the administration, inspection and control of this system.

According to the terms of this article, the Federal Executive may grant permits and licences to private individuals, "for establishing and exploiting such services or for using them for educational purposes".

Several points are thus emphasized in Article I. First of all, the specific authority of the State for granting permits and licences is stipulated. Secondly, it is stated that these permits and licences shall be granted either for establishing and operating a communications system or for setting up such a system for educational purposes.

Certain provisions of this regulation are obviously repeated in the Reglamento de Radiocomunicaciones of 1941. In several instances, there is even greater emphasis on questions of principle than in the Law of 1940. For example, Section I, Article 2 (General Provisions) specifies not only the exclusive competence of the State in all matters related to radio services but also the exceptional nature of the granting of licences. According to the Regulation :

> Article 2 - The State has exclusive jurisdiction over radio services and only in exceptional cases may grant permission for establishing services of this nature to private individuals...

Section II (On Permits), Chapter II (Permits for Radio Broadcasting) reexamines the problem raised by the criteria to be used in granting permits, viewed in terms of the degree to which the services offered meet actual needs :

> Article 14 - Permits for establishing and operating radio broadcasting stations and the use of channels or frequency bands for their transmissions may only be granted to Venezuelans of legal age, provided that the granting of these permits is in the interest or for the benefit of the public.

Although this chapter is not specifically concerned with the discre-

pancy between the actual development of the radio system in Venezuela and established norms, it should nonetheless be pointed out that this development - based primarily on commercial market criteria - is inconsistent with the principles that have been put forward since 1940-1941.

We should also specify that our analysis is only based on factors relating to the ownership structure of the system, as it may appear that we have erred in omitting references to problems of content as well as the general operating conditions reflected in the legislation.

Other normative elements

It is obvious that when referring to problems related to ownership and the use of the radio spectrum one must take into account the links with the State apparatus, such as those of control, regulation, inspection, etc.

In 1950, Chapter XI of the Estatuto Orgánico de Ministerios (Basic Statutes of the Ministries) granted the Ministry of Communications jurisdiction over matters related to telecommunication services and "licences and permits for the installation of media and services for radio broadcasting and intercommunication, as well as their inspection and control" (Article 28).

In 1965 the Ley que Regula la Reorganización de los Servicios de Telecomunicaciones (Regulatory Law on the Reorganization of Telecommunication Services) was promulgated. Article 2 stipulates :

> National and international telegraphy and radiotelegraphy services shall continue to fall within the jurisdiction of the Ministry of Communications, as well as the control and supervision of television and radio programmes, the control of the radio spectrum and the fixing of tariffs.

Beginning in 1965, most of the normative resolutions and standards relating to the media were almost exclusively concerned with the question of jurisdiction or content regulation. Two areas of special concern have been the contracting of foreign artists and programme categories. An example

of this type of legislation would be the Normas para Transmisiones Sonoras y Audiovisuales (Standards for Sound and Audiovisual Broadcasts) enacted in 1972.

In 1977 the Ministry of Transportation and Communications promulgated a Resolution (No. 193) on the regulation of the operating power of radio broadcasting stations.

It should also be pointed out that in 1977 the Reglamento Parcial sobre Concesiones para Televisoras y Radiodifusoras (Partial Regulation on Licences for Radio and Television Stations) was issued. Article 1 stipulates the following : "....Licences for establishing and operating television and radio stations are granted for twelve years."

This decree also specifies that once this period of time has lapsed, the licensees "who have fulfilled the legal provisions of the Ley de Telecomunicaciones and the Reglamento de Radiocomunicaciones will be given preference for the extension of their licence for another twelve-year period."

In practice, the radio broadcasting licences granted in virtue of these articles are quasi permanent for when the Ministry of Transportation and Communications has undertaken partial controls on failure to comply with existing regulations, such action has hardly ever resulted in sanctions affecting the licensee.

I. 3 Ownership Structure

Preliminary Remarks

Once again, we would like to stress the fact that the structure and development of the radio broadcasting system in Venezuela, given the specific traits of the predominant private system, is characterized not only by a tendency towards vertical concentration of ownership but also by "spatial" concentration.

This phenomenon has already been pointed out in Caprile's work

Estado y Medios de Comunicación en Venezuela (Editorial Suma, Caracas, 1976) :

> There is a high degree of concentration in the radio broadcasting system : a predominant territorial concentration in the country's capital and big cities, especially those that are located in the Central-Western region and on the same line as the cities of Caracas-Maracay-Valencia-Barquisimeto. There is also a relative concentration of stations in "networks" which maintain certain internal financial links, and are subject to the hegemony or complete domination of a group of owners or a single owner.

We have made specific reference to concentration in terms of ownership in order to establish the basis of our analysis in this chapter. There are two possible criteria for making such an analysis :

1) A station by station analysis of the entire radio broadcasting spectrum, in terms of the composition of the board of management of the licensee firm.

2) An analysis of the "networks" or "circuits" to which the various stations are affiliated.

The reason for having chosen the second option is that the data which we obtained throughout our research demonstrates that approximately 80 % of the radio stations in Venezuela are "affiliated" to such groups and that almost 80 % of the country's assigned operating power is concentrated in these stations.

Given the significance of these observations, we have obviously chosen to focus our analysis on the main characteristics of ownership concentration in the circuits, networks and systems.

Before proceeding further, it should be pointed out that existing media regulations provide no instructions on questions related to the concentration of radio stations. Nor is any distinction made between circuit,

network and system.

For the purposes of our study, we have defined these terms as follows :

1. The grouping together of radio stations in the form of a network generally implies a relationship existing at the level of programme transmission.

2. In a circuit the internal links are based on the ownership relations between the enterprise and the member station ; the cohesive element behind these relations is the central board of management, which is the same for the circuit and the stations.

3. The relation between a system and its affiliated stations is based primarily on mechanisms for the sale of advertising and programmes, this function being carried out by the system, which acts as the stations' commercial representative to advertisers and agencies.

Unfortunately, this attempt to arrive at a functional definition of the three types of connections in itself is not adequate for distinguishing between these three existing groups, for often the media enterprises use these designations in a completely different sense.

Analysis of existing networks, circuits and systems

General Data

As we have previously indicated, there are 121 stations belonging to what we may refer to as "circuits". This figure represents 81 % of the overall total of commercial stations and 78 % of the total number of radio stations operating in the country.

The process of forming circuits apparently began towards the middle of the 1950s. when the Radiofónico Covder Circuit was established. At present, this circuit has five affiliated stations.

In 1958 the Radio Continente Circuit was founded. But it was not until 1960 that the Rumbos Circuit and the Rumbos System were created, which were later to become "giants" in the process of concentration and control of radio broadcasting.

This tendency towards the linking together of radio stations - what we have presented is only one manifestation of oligopolistic concentration in radio broadcasting - reached a peak during the decade of the 1970s, when five of the principal circuits and systems were formed.

A more detailed analysis of the situation that we have outlined should necessarily examine the progressive forms of concentration, or, in other words, study the evolutionary process of concentration in terms of ownership. We will limit ourselves to pointing out the basic features of this process :

a) an evident and progressive extension of each of the major circuits, either through the creation of new stations or the purchase of the block of shares of already existing stations.

b) A certain parallel development in the concentration of radio and the process of urbanization.

c) A progressive tendency towards the absorption of small local stations in the inland part of the country. Usually the station's block of shares - which is generally held by a single owner - is secured by a corporation of "circuit".

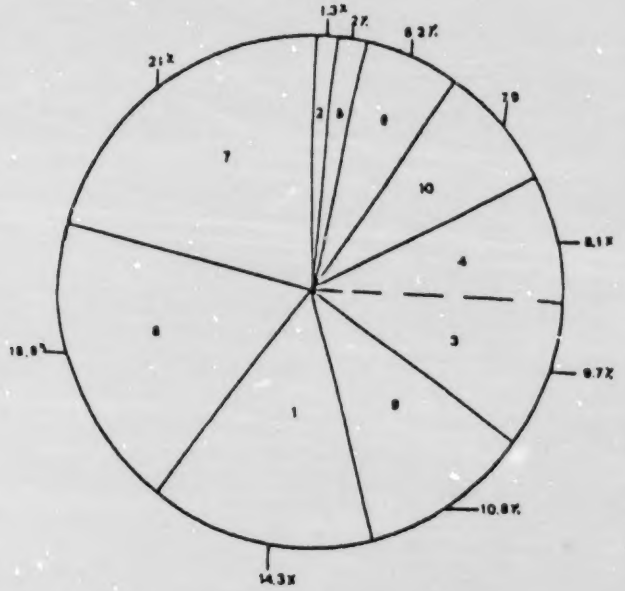
d) The formation of a specific radio broadcasting model for programme contents.

Case studies or "global view"

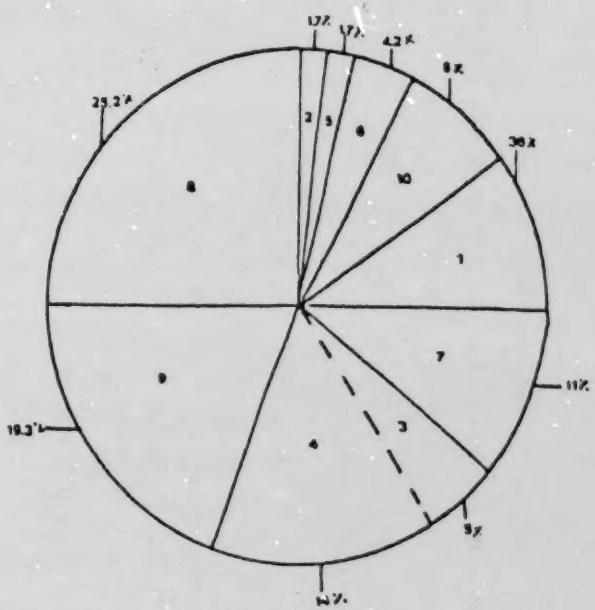
As we have already mentioned, our analysis shall be primarily concerned with the most significant examples of ownership concentration. Such an approach may seem to be somewhat similar to so-called "case studies". However, our description of these "cases" has already shown that, far from being exceptions, they constitute the basic structural form of the radio

Diagram I.1

Total Operating Power Of Sound Broadcasting Stations Affiliated to Radio Circuits



Percentage of Sound Broadcasting Stations Affiliated to Radio Circuits



Radio Circuits

1. Radiofónica Nacional Network
2. Fonocolor Circuit
3. Rumbos Circuit
4. Rumbos System
5. Radio Continente Circuit
6. Radiofónico Covder Circuit
7. Radiovisión Circuit
8. Radiofónica Limitada Corporation
9. Radio Celis Network
10. Radiofónicos H.D., C.A. Services and Systems

Note: The area corresponding to the Rumbos System (4) should be added to that of the Rumbos Circuit (3)

broadcasting system in Venezuela. Hence our data does not just relate to specific cases but may be viewed as an excellent indication of the overall functioning of radio broadcasting in the country.

First of all, we will analyse the major forms of concentration, all of which have in common the control exercised by parent companies (and main stations) located in the capital. Secondly, we will briefly examine new cases of ownership concentration in the inner part of the country, which may eventually constitute circuits with a regional range.

Radiofónica National Network

Established as a company with limited liability, this "circuit" (and here we have an example of the different terms used to denote various kinds of companies) owns twelve stations. Its main station, YVKE Mundial, operates in the city of Caracas, while the eleven other stations are distributed throughout the country :

Affiliated radio stations

Name	City	State/Region
YVKE Mundial (Main Station)	Caracas	Federal District
Mundial 1.080	Maracay	Aragua
Mundial Mil	Puerto Cabello	Carabobo
Mundial Tricolor	Barquisimeto	Lara
Mundial Ondas del Caribe	Punto Fijo	Falcón
Mundial Zulia	Maracaibo	Zulia
Mundial Margarita	La Asunción	Nueva Esparta
Mundial 960	San Cristóbal	Táchira
Mundial Caroní	Ciudad Guayana	Bolívar
Mundial Bolívar	Ciudad Bolívar	Bolívar
Ecos del Orinoco	Ciudad Bolívar	Bolívar
Radio Los Andes	Mérida	Mérida

The main station in Caracas has an assigned operating power of 100 kWs, which, according to the station, covers the metropolitan area of

Caracas, the states of Miranda and Guarico and also penetrates the entire country via short-wave broadcasts.

Surveys carried out in Caracas indicate that for a sample of 60,000 households covered by radio, Radio YVKE Mundial reaches a listening audience of 15.5 % (10,800 households).(1)

The rest of the stations that make up the circuit each are managed by their own licensee firm but the president is the head of the circuit. The only variations concern administrative positions or members of the board of directors.

Of the inland stations, nine have an assigned operating power of 10 kWs, while the station located in the state of Nuevo Esparta transmits with 20 kWs of operating power.

According to declarations made by the vice-president of the circuit, this year (1981) the firm will be modernizing its station in order to widen the circuit's range of coverage.(2)

Fonocolor Circuit

The Fonocolor Circuit was founded on 1 May 1962 and includes only two stations : Radio Libertador in Caracas and Radio Barlovento in Caucagua, in the state of Miranda.

Radio Libertador has an operating power of 10 kWs, which, according to the station, reaches the entire interior of the country. The licensee firm, Medios Efectivos Radiales C.A., has a similar organizational structure as the other cases presented and the same board of management as that of the circuit.

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(1) Survey carried out by the "Datos C.A." polling company during the last semester of 1980.

(2) "Se moderniza la Cadena Radiofónica Nacional" , in El Nacional. Caracas, Wednesday, 22 April 1981.

Radio Barlovento is directed by the Radio Barlovento C.A. corporation, which shares its board of management with Radio Libertador, and, of course, the circuit. This station also has an operating power of 10 kWs.

National Rumbos Circuit

The National Rumbos Circuit was founded on 1 August 1960. At present, it is made up of the following radio stations :

Name	City	State/Region
Radio Rumbos (Main Station)	Caracas	Federal District
Radio Sucre	Cumaná	Sucre
Radio Barcelona	Barcelona	Anzoátegui
Radio Maracaibo	Maracaibo	Zulia
Radio Carúpano	Carúpano	Sucre
Radio Punto Fijo	Punto Fijo	Falcon

In this case, as in the other examples cited, the stations are affiliated to the circuit via ownership ties. The circuit operates through a main station, Radio Rumbos, which, according to the station, out of a total of 69,600 households in Caracas with radio sets turned on, reaches 31.7 % of listeners (22,100 households).(1)

When this information was provided, it was the highest rate of coverage recorded for the entire country. The station was founded in December 1949 and at present has an assigned operating power of 100 kWs. According to the station's own estimates, it reaches 90 % of the national territory while "its short-wave broadcastes cover five continents".(2)

In the state of Sucre, the circuit broadcasts via Radio Sucre, a station with an assigned operating power of 10 kWs. It was founded in

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(1) Rumbos System C.A. Trimestrial Publication. Last Trimester, 1980.

(2) "Publicación Professional Publicitaria" (P.P.P.), 1980.

August 1961 and transmits from the city of Cumaná.

Out of a total of 5,700 households with radio sets turned on, for the last trimester of 1980, Radio Sucre reached 2,400 households, which is the highest rating for this region. Radio Carúpano, with an assigned operating power of 10 kWs also broadcasts in this state.

In the state of Anzoátegui, the circuit operates through Radio Barcelona, which was founded in 1939 and has an assigned operating power of 10 kWs, covering the states of Nueva Esparta, Sucre, Anzoátegui, Miranda, Monagas and Guarico.(1)

In the last trimester of 1980, Radio Barcelona, which was founded in 1939, reached 2,100 households out of a total of 6,200 households with radio sets turned on.

In the state of Zulia, the National Rumbos Circuit relies on Radio Maracaibo, which, with an assigned operating power of 10 kWs, covers the Western and Mountainous regions. According to statistics provided by the station, for the last trimester of 1980, out of a total of 24,400 households with radio sets turned on in Maracaibo, Radio Maracaibo reached 3,300 households, which represents a listening rate of 13.3 %.

Finally, in Punto Fijo, in the state of Falcón, the circuit operates through Radio Punto Fijo, which covers Maracaibo, the Western states and the Dutch West Indies.(2) The station has an assigned operating power of 10 kWs. Further observations on this circuit and the Rumbos Systems will be made in other chapters of this report.

Radiofónico Covder Circuit

The Covder circuit, established in October 1955, links together

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(1) "Publicacion Profesional Publicitaria" (P.P.P.), 1980.

(2) Idem.

five stations :

Name	City	State
Radio Anaco	Anaco	Anzoátegui
Radio Anzoátegui	Barcelona	Anzoátegui
Radio Monagas	Maturín	Monagas
Radio Nueva Esparta	Porlamar	Nueva Esparta
Radio Puerto La Cruz	Puerto La Cruz	Anzoátegui

As may be noted in the above list, this circuit has three stations in the state of Anzoátegui. Radio Anaco is owned by the circuit but it was leased for 1980 to Productora Uno C.A. It has an assigned operating power of 5 kWs and the Productora Uno Company is responsible for its commercial representation in Caracas.

Radio Anzoátegui also broadcasts in the same state, with an operating power of 10 kWs. Like Radio Anaco, it is represented in the capital by Productora Uno C.A. Finally, Radio Puerto La Cruz is owned by the circuit but at present is rented out in the name of a private individual. It was founded in 1959, before the constitution of the circuit, which illustrates the process whereby local stations are gradually taken over by big circuits.

In the state of Monagas, the circuit owns Radio Monagas, which, according to information dating from 1980, has been leased out to Productora Uno C.A. This station operates on 10 kWs and, according to official information, it covers the entire state of Monagas and part of the states of Sucre, Bolívar and Anzoátegui.

Lastly, in the state of Nueva Esparta, the circuit owns the Radio Nueva Esparta station, which was also founded (in 1952) before the existence of the circuit. Radio Nueva Esparta has an assigned operating power of 10 kWs, which assures coverage of the Eastern part of the country as well as in Miranda and Guarico. It has recently been represented in Caracas by Productora Uno C.A.

Radiovisión Circuit

The Radiovisión Circuit includes thirteen stations, eight of which are directly linked to the circuit while the other five form a kind of sub-circuit, Radiovisión Zulia, which is owned by the Radiovisión circuit.

Radio stations affiliated to the Radiovisión Circuit :

Name	City	State/Region
Radiovisión 950 (main station)	Caracas	Federal District
Radiovisión 650	Maracay	Aragua
Radiovisión 810	Valencia	Carabobo
Radiovisión Oriente	Porlamar	Nueva Esparta
Radiovisión 860	San Cristóbal	Táchira
Radiovisión Marabina	Maracaibo	Zulia
Radiovisión Regional	Las Morochas	Zulia
Radiovisión Lara	Cabudare	Lara
Radiovisión Alegre	Ptos. de Alta gracia.	Zulia
Radiovisión Andina	Isnotú	Trujillo
Radiovisión Falcon	Pto. Cumarebo	Falcón
Radiovisión Sur del Lago	Caja Seca	Zulia
Radiovisión Machiques	Machiques	Zulia

Radio stations affiliated to the Radiovisión Zulia Circuit

Radiovisión Marabina	Maracaibo	Zulia
Radiovisión Regional	Los Morochas	Zulia
Radiovisión Alegre	Ptos. de Alta gracia.	Zulia
Radiovisión Sur del Lago	Caja Seca	Zulia
Radiovisión Machiques	Machiques	Zulia

The Radiovisión Circuit was founded in May 1974, and since 1975 has taken over two new stations. The main station, Radiovisión 950, is located in the city of Caracas. It has an assigned operating power of 100 kWs, which supposedly reaches the entire national territory. However, according to

information provided by the station to advertising publications, the coverage is limited to the metropolitan area and the state of Miranda.

In the state of Aragua the circuit functions through Radiovisión 650, a station with 50 kWs of assigned operating power. According to the station, it covers the states of Aragua, Guárico, Carabobo, Miranda, Lara and Anzoátegui.

Radiovisión 810, located in the state of Carabobo provides coverage for the states of Aragua, Cojedes, Guárico and part of the state of Lara, in addition to the state of Carabobo. It has an assigned operating power of 10 kWs.

In the Eastern part of the country, in the state of Nueva Esparta, the circuit owns Radiovisión Oriente, which was founded in 1971. Its coverage supposedly includes the states of Nueva Esparta, Sucre, Anzoátegui, the Central-coast area and the "surrounding islands of the Caribbean".(1)

Radiovisión 860, which was also founded in 1971, operates from the city of San Cristóbal in the state of Táchira. It has an assigned operating power of 10 kWs which, in addition to providing coverage for Táchira also reaches part of Mérida, Zulia, Barinas and the North of Santander in Colombia.

In the state of Lara, the circuit owns the Radiovisión Lara station. The circuit also owns radiovision Andina, in the state of Trujillo. In the state of Falcón the circuit operates through Radiovisión Falcón. All three stations have 5 kWs of assigned operating power.

It should be pointed out that the Radiovisión Circuit, taken as a whole, in 1980 controlled an assigned operating power of 324 kWs, which ranks it as the most important (in terms of transmitting power) circuit in all of Venezuela.

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(1) "Publicación Profesional Publicitaria", 1980.

Radiofónica Limitada Soball C.A. Corporation

This corporation, founded in November 1972, has thirty-four affiliated radio stations which, together, have an assigned operating power of 330 kWs and a significant level of coverage in various regions throughout the country.

Having analysed the data relating to the organizational structure of the corporation, it is difficult to establish ownership ties between the board of management of the corporation and the affiliated stations. Therefore, the corporation may basically be considered as a "system" (according to our previous definition) which functions as the commercial representative of the stations. A list of the stations affiliated to this corporation is provided in Table I.5. (See page 35)

Radio Celis Network S.R.L.

Founded in 1977, Radio Celis Network is one of the most recent broadcasting enterprises. At present it links together nineteen stations. The relations between the company and its affiliates are basically of a commercial nature.

Stations affiliated to Radio Celis Cadena

Name	City	State
Radio Popular	Maracaibo	Zulia
Radio Reloj	Maracaibo	Zulia
Ondas de Los Médanos	Coro	Falcón
Radio Satélite	Guacara	Carabobo
Radio Onda	Guanare	Portuguesa
Radio Cristal	Barquisimeto	Lara
Radio Juventud	Barquisimeto	Lara
Radio Lara	Barquisimeto	Lara
Radio Universo	Barquisimeto	Lara
Radio Barquisimeto	Barquisimeto	Lara
Radio Valera	Valera	Trujillo
Ondas Panamericana	El Vigía	Mérida

Cont'd.

Name	City	State
Radio Petrolera	Cabimas	Zulia
Radio Latina	Valencia	Carabobo
Radio Mérida	Mérida	Mérida
Radio Horizonte	Nírgua	Yaracuy
Radio Acarigua	Acarigua	Portuguesa
Ondas del Escalante	Sts. Bárbara del Zulia	Zulia
Radio Cabimas	Cabimas	Zulia

In our research we did not find evidence that the company's board of management also directed the licenses firms of the various stations. However, we did observe certain cases of ownership concentration within these firms. One of the most significant examples is the CORASA group.

Radiofónicos H.D., C.A. Systems and Services

This enterprise was founded in 1978 and at present has eight affiliated stations in the inland country. When it was created, Radio Trece in Caracas belonged to this group, which was no longer the case in 1980.

The enterprise acts as the commercial representative for the affiliates, as stipulated in the "General Contractual Conditions"(1)

Name	City	State/Region
Radio Angostura	Ciudad Bolívar	Bolívar
Radio Canaima	Ciudad Guayana	Bolívar
Radio Guanipa	El Tigre	Anzoátegui
Radio Maracay	Maracay	Aragua
Radio Fantasía	Ciudad Bolívar	Bolívar
Radio R.S.C.	San Cristóbal	Táchira
Radio Tucupita	Tucupita	Delta Amacuro
Radio Sur	Ciudad Guayana	Bolívar

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(1) "Publicacion Profesional Publicitaria", 1980.

TABLE I.5

Stations Affiliated to the Radiofónica Limitada Soball C.A. Corporation

		Operating Power (kWs)
1) Central Area		
La Voz de Carabobo	Valencia (State of Carabobo)	10
Radio Orituco	Altagracia de Orituco (State of Miranda)	1
Radio Aragua	Maracay (State of Aragua)	10
YVLQ La Voz de la Victoria	La Victoria (State of Aragua)	10
Radio Apolo	Turmero (State of Aragua)	5
Radio Barlovento	Acevedo (State of Miranda)	10
Radio Alegría	Chivacoa (State of Yaracuy)	5
Radio Los Llanos	Calabozo (State of Guárico)	5
Radiolanda	Catia La Mar (Federal District)	5
Radio Valles del Tuy	Ocumare del Tuy (State of Miranda)	10
Radio La Pascua	Valle de la Pascua (State of Guárico)	5
Radio Guárico	San Juan de los Morros (State of Guárico)	10
Radio Sabana	State of Guárico	1
2) Central-Western Area		
Radio Portuguesa	Acarigua (State of Portuguesa)	5
Radio Continental	Barinas (State of Barinas)	5
Radio Estelar	Guanares (State of Portuguesa)	5
Radio Colonial	Barquisimeto (State of Lara)	5
Radio Melodia	Barquisimeto (State of Lara)	5
Radio Clarin	Turen (State of Portuguesa)	5

TABLE I.5 (cont'd)

La Voz de Apure	San Fernando de Apure	10
Radio San Carlos	San Carlos (State of Cojedes)	1
3) Western Area		
Ecos del Torbes	San Cristóbal (State of Táchira)	50
La Voz de la Fè	Maracaibo (State of Zulia)	10
Radio Catatumbo Internacional	El Mojan (State of Zulia)	5
Radio Rubio	Rubio (State of Táchira)	5
Radio Coro	Coro (State of Falcón)	10
Radio Perija	Perija (State of Zulia)	20
Radio Jardin	Bocono (State of Trujillo)	50
4) Eastern Area		
Radio Guiria Internacional	Guria (State of Sucre)	1
Radio República	Maturín (State of Monagas)	10
Radio Cumaná	Cumaná (State of Sucre)	10
Ondas Porteñas	Puerto de la Cruz (State of Anzoátegui)	25
5) Southern Area		
Radio Amazonas	Puerto Ayacucho (Amazonas)	1
Radio Caicara	Caicara (State of Bolívar)	5
	Total Power	330

Rumbos Systems C.A.

Rumbos Systems C.A. presents itself to advertising agents and advertisers in general as a "service firm". According to its own publicity, the system offers a "large circuit" for the broadcasting of advertising spots. However, as we have previously pointed out, the use of this term should be reserved only for cases of clear ownership ties.

Affiliated stations

Name	City	State
1) Eastern Area		
Radio Barcelona	Barcelona	Anzoátegui
Radio Sucre	Cumaná	Sucre
Radio Maturín	Maturin	Monagas
Radio Puerto Ordaz	Ciudad Guayana	Bolívar
Radio Carupano	Cumaná	Sucre
La Voz del Tigre	El Tigre	Anzoátegui
Radio Guyana	Upata	Bolívar
2) Western Area		
Radio Maracaibo	Maracaibo	Zulia
Radio Libertad	Cabimas	Zulia
Radio Táchira	San Cristóbal	Táchira
Radio Sucesos	San Cristóbal	Táchira
Radio Altura	La Grita	Táchira
Radio El Sol	La Fría	Táchira
Radio Cumbre	Mérida	Mérida
Radio Occidente	Tovar	Mérida
Radio Trujillo	Trujillo	Trujillo
Radio Turismo	Valera	Trujillo
3) Central-Western Area		
Radio Juventud	Barquisimeto	Lara
Radio Punto Fijo	Punto Fijo	Falcón

Cont'd

Name	City	State
4) Central-Northern Area		
Radio América	Valencia	Carabobo
Radio Zaraza	Zaraza	Guárico
Radio Armonía	Valles del Tuy	Miranda

Ownership concentration in the inland region of the country

Analysis of the 1977/1980 period has shed light on the tendency for an increasing number of stations, within one state or in certain cases within neighbouring states, to be controlled by the same group of owners. This tendency has been more pronounced in recent years, thus constituting a new phenomenon which should receive the same attention as the other forms of concentration previously examined.

For example, during this period the CORASA group has expanded its holdings. At present it controls five out of ten stations in the state of Lara, with an accumulated assigned operating power equal to 70 % of the total power for this state. This group has also expanded its control to the neighbouring state of Yaracuy, where, in 1980, it already owned the most important station.

Affiliated stations of CORASA Group

Name	State
Radio Barquisimeto	Lara
Radio Cristal	Lara
Radio Juventud	Lara
Radio Lara	Lara
Radio Universo	Lara
Radio Yaracuy	Yaracuy

Each of these radio stations also has the same manager. A similar observation may be made concerning other cases: for example , in the state

of Táchira four of the most important stations belonging to this group have the same individual acting either as director, president or managing director.

Further considerations

Although our analysis of the various networks, systems and circuits operating in Venezuela has attempted to examine the principal tendencies in terms of the structure of these groups, we have only been able to establish ownership links between the parent enterprise and the affiliated stations in certain very specific instances.

The fact that we have relegated to the category of commercial representations those cases for which we were unable to establish ownership ties does not imply a complete disassociation between these two poles. It should be pointed out that commercial representation in itself involves two basic factors :

1) An important circulation of capital, contributed by the stations and their commercial agents ; this circulation also extends to advertisers, either directly or through agencies.

2) A circulation of programmes resulting from the sale of specific messages to be transmitted by the stations, which has contributed in recent years to the tendency towards the standardization of existing programme criteria in the private-commercial sector of the media throughout the country.

Stations unaffiliated to the private commercial system

This group is made up of twenty-three radio stations (15 % of the total number of stations in Venezuela) which are primarily located in three very specific regions : the Federal District and the states of Carabobo and Zulia. A list of these stations is provided in Table I.6.

In the Federal District there are twelve such stations. The most important, in terms of assigned operating power, are Radio Aeropuerto, Radio Capital and Radio Sensación, each of which transmits with 50 kWs. The other

TABLE I.6

Stations Not-Affiliated to Radio Circuits

Name	Location	Operating Power
Radio Aeropuerto	Federal District	50 kWs
Radio Capital	" "	50 kWs
Radio Caracas	" "	10 kWs
Radio Exitos 1090	" "	20 kWs
Radio Ideal	" "	10 kWs
Radio Impacto	" "	10 kWs
Radio 1070	" "	10 kWs
Radio Sensación	" "	50 kWs
Radio Tiempo	" "	10 kWs
Radio Tropical	" "	10 kWs
Radio Uno	" "	5 kWs
Radio Difusora Venezuela	" "	10 kWs
Radio Impacto Valencia	Carabobo	10 kWs
Radio Latina	"	5 kWs
Radio La Mia	"	10 kWs
Radio Ondas del Mar	"	5 kWs
Radio Puerto Cabello	"	10 kWs
Radio Exitos de Maracaibo	Zulia	10 kWs
Radio Ondas del Lago	"	10 kWs
Radio Aeropuerto Internacional de Maracaibo	"	10 kWs
Radio Calendario	"	10 kWs
Radio Libertad	"	10 kWs
Radio Mara	"	10 kWs

nine stations have from 5-20 kWs of operating power.

In the state of Carabobo there are only five stations that may be classified as independent. The assigned operating power ranges from 5-10 kWs.

In the state of Zulia there are six stations unaffiliated to circuits, each of which operates on 10 kWs.

It is significant that the three federal states in which most of these stations are located have a high level of urbanization, population concentration and commercial-industrial activity.

Comparative analysis : 1974/1980

In a study published in 1976, Oswaldo Capriles traced the tendency towards the formation of groups or "the relative concentration of stations in 'networks' which maintain certain internal links under the hegemony or complete domination of a group of owners or a single owner".(1)
The following data for 1974 were provided :

Radio Rumbos Circuit	22 stations
Radio Continente Circuit	12 stations
Radio Mundial Circuit	12 stations
Celis Network	20 stations
Núcleo Radial Circuit	20 stations
Radiofónica Limitada Corporation	22 stations
Covder Circuit	6 stations

In this same work, Capriles analysed the changes in terms of concentration which were reflected in the data for 1974 and 1976. In examining the four major circuits existing in 1976, he arrived at the following figures : Radio Tiempo (33 stations), Radio Rumbos (24 stations), Radiovisión (12 stations), and Radio Mundial (10 stations). Based on this data, Capriles arrived at the conclusion that more than 60 % of radio broadcasting in 1976 was controlled by these "four giants".

If we take into consideration the data for 1980, it becomes quite

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(1) Oswaldo Capriles, op. cit., pp. 98-99.

obvious that this tendency has been accentuated. As we have previously noted, only 15 % of the country's radio stations - excluding those of the public sector - may be considered as "independent".

During the period of 1974/1976 and 1980, another consequence of the phenomenon of concentration has also become apparent : the process whereby certain existing "networks" have been strengthened while others have tended to disappear. For example, in 1980 the Radiofónica National Network (Radio Mundial Circuit in 1974) increased the number of "affiliated" stations to twelve. New circuits with a high degree of penetration have also appeared throughout the country, formed on the basis of linking together already existing stations. An example of this tendency is the Radiovisión Circuit which now links together thirteen stations.

The Radiofónica Limitada Corporation may be cited as an excellent example of an expanding enterprise. In 1974 it linked together twenty-two stations while at present it has thirty-four affiliates.

The phenomenon of concentration has taken on further significance during the period under consideration for there has been a notable increase in the assigned operating power of many of the affiliated stations.

I. 4 Conclusions

The major characteristics of the radio broadcasting system in Venezuela may be summarized as follows :

1) The predominance of the private-commercial sector.
2) The tendency towards concentration :
   - Spatial : Commercial stations are concentrated in or around the urban-industrial centres ;
   - Ownership : there are very clear links, maintained on the basis of radio circuits ; in most cases the affiliated stations depend on the main station located in the capital.
   - Financial flow : there are also financial links that exist on the basis of "commercial representation" ; the "service"

enterprise usually owns one or several of the various stations it represents.

In addition to the forms of concentration mentioned above, specifically for the field of radio broadcasting, it should also be pointed out that in recent years the country's most important financial groups have been extending their control to other mass media. An example would be the groups of owners that have been well-established for decades in the radio broadcasting sector, but which now also control one of the four TV stations.

Finally, we would like to emphasize that the deficiencies of the public radio broadcasting system are intimately linked to the present hegemony of the private-commercial sector. These deficiencies are not just quantitative in nature. They also testify to the need for a more coherent national communication policy.

CHAPTER II

ECONOMIC ANALYSIS OF THE RUMBOS COMPAÑIA ANÓNIMA (LIMITED COMPANY)/RADIO RUMBOS

Before entering into a detailed analysis of the Rumbos Compañía Anónima (Radio Rumbos Station), attention should be drawn to certain limitations encountered by the research team. First of all, it was extremely difficult to obtain data on such specific points as the investments, expenditures and income of a private broadcasting station. Although our task was initially facilitated by the station, which provided the requested data, at a later stage in our research it became virtually impossible to obtain the necessary information. Secondly, there was a great dispersion of information, which created serious problems insofar as many of the sources used were contradictory. Therefore the researchers were obliged to make inferences and deductions, and formulate conclusions which did not always conform to the actual data obtained from the various sources consulted. This clarification is not without significance for in certain cases the data provided by the public sector was either incomplete or differed from those provided by the radio station. These difficulties and limitations, which have methodological implications, should be kept in mind throughout this chapter.

We should also point out that the present chapter is not an exhaustive study. In the first place, we have attempted to provide a brief description of the radio station which is the subject of our study - Radio Rumbos or the Rumbos Compañía Anónima - distinguishing between the radio broadcasting company, the broadcasting circuit to which it belongs - the Rumbos Circuit - and the managerial system in which it is incorporated - the Rumbos Systems Limited C.A. Secondly, we have attempted to make as thorough an analysis as possible - given the aforementioned limitations - of the income, expenditures and investments of the radio station, so as to offer an appraisal of the economic situation of the station in terms of investments and profits for the year 1980.

II. 1 Description of the Rumbos Compañía Anónima

Station : Radio Rumbos ; Licensee ; Rumbos Compañía Anónima ; Date of Foundation : 01/12/49 ; Social Capital ; B3,000,000.00 ($697,674.41) ; Location : Chacao,

Caracas, Federal District ; Assigend Channel : Medium-wave frequency : 670-570 Khz ; Identification Code : YVLL-YVLX ; Operating Power : 100 kWs ; Coverage : Medium-wave : 90 % of the national territory ; Short-wave : Five continents.

The Radio Rumbos Station began broadcasting on 1 December 1949 in the suburban community of El Silencio. At this time the station operated on 20 kWs, with two transmission towers of 135 metres each. In 1959 the station's operating power was increased to 50 kWs but the same two transmission towers were used. In 1965, the two transmission towers were replaced by one tower of 270 metres. The operating power was increased to 100 kWs in 1969.

Advertising rates

The advertising rates of the Radio Rumbos Station are determined on the basis of contracts for radionovelas, news broadcasts and so-called "rotating spots", which are not included in either of the two former categories. The spots are interspersed within or between the radionovelas, on a daily basis, from Monday to Friday, from 8.00 to 11.30 a.m. and from 1.00 to 3.00 p.m. The distribution of the spots is decided by the company. When the advertiser requests a specific time the company established a surcharge of 30 % of the fixed cost of the spot.

According to the most recent tariffs established by the station on 1 January 1980, the monthly rate for 10-60 seconds spots which are broadcast in between or within the radionovelas ranges from B3,750.00 to B14,000.00 ($872 to$3,256).

The spots which are aired during the station's news programme, Noti-Rumbos, are broadcast from Monday to Saturday, from 6.00 to 8.00 a.m., from 11.30 to 1.00, from 5.00 to 6.00 p.m. and from 11.30 to 12.00 p.m. The prices are similar to those for spots inserted within or in between radionovelas. Thus, the most expensive spots are those inserted in the radionovelas and news programmes, which are viewed as preferential spaces in the total programming of the station.

In addition to the "fixed" spots, the so-called "rotating" spots are aired during or between any of the station's other programmes from Monday to Saturday. The prices depend on the number of times the spot is aired. (Naturally, a daily announcement is more expensive than one which is only broadcast on an intermittent basis). Lastly, the station also offers its customers what are known as spots for "intrigue campaigns". The latter are special advertising campaigns used to present a product gradually without announcing the brand untill the last minute when it is launched on the market. (Please refer to the Annexes for further information on the advertising rates of the Rumbos Systems C.A.).

Radio Rumbos, Rumbos Circuit and Rumbos Systems C.A.

The Radio Rumbos Station operates as the main stations of the Rumbos Circuit, and is also one of the stations of the Rumbos Systems. The Rumbos Circuit is made up of the following radio stations :

Radio Rumbos	Caracas (Federal District)
Radio Maracaibo	Maracaibo (Zulia)
Radio Sucre	Cumaná (Sucre)
Radio Carúpano	Carúpano (Sucre)
Radio Barcelona	Barcelona (Anzoátegui)
Radio Punto Fijo	Punto Fijo (Falcón)

All the stations belonging to the Rumbos Circuit have one and the same owner. However, each station enjoys a relative autonomy which allows it to establish its own programming during the hours when the programmes of the main station are not being aired.

The Rumbos Circuit ensures national coverage, in addition tc which the main station, Radio Rumbos, operates with 100 kWs of power and covers 90 % of the national territory. Please refer to Table II.1 on the coverage of the Rumbos Systems C.A. which indicates the stations belonging to both the circuit and the system.

TABLE II.1

Coverage of Rumbos Systems C.A.
(4th Trimester 1980)

Stations	Population (thousands)	Number of Households	Households with radio	%
Eastern Area				
Radio Barcelona	276.5	48.2	46.8	97
Radio Sucre	189.8	33.1	31.1	94
Radio Maturín	185.8	32.3	31.0	96
Radio Pto. Ordaz	209.3	36.5	35.0	96
Radio Carúpano	93.7	16.3	15.3	94
Radio La Voz de el Tigre	85.4	14.9	14.5	97
Radio Guayana	69.1	12.0	11.6	97
Sub-Total	1,109.6	193.3	185.3	95
Western Area				
Radio Maracaibo	836.7	145.8	138.5	95
Radio Libertad	309.5	53.9	51.2	95
Radio Táchira	290.1	50.5	49.0	97
Radio Altura	108.3	18.9	18.3	97
Radio El Sol	108.3	18.9	18.3	97
Radio Cumbre	162.7	28.3	27.5	97
Radio Trujillo	80.5	14.0	13.6	97
Radio Turismo	125.2	21.8	21.1	97
Sub-Total	2,021.3	351.1	337.5	96
Central-Western Area				
Radio Punto Fijo	119.2	20.8	19.3	93
Radio 1.400	304.0	52.8	50.1	95
Radio Juventud	447.3	77.9	74.0	95
Sub-Total	870.5	151.5	143.4	94

TABLE II.1 (cont'd)

Stations	Population (thousands)	Number of Households	Households with radio	%
Central-Northern Area				
Radio América	496.1	86.4	82.9	96
Radio Armonia	40.0	6.9	6.8	98
Radio Zaraza	58.4	10.2	6.9	94
Sub-Total	594.5	103.5	96.6	96
Total Coverage	4,595.9	799.4	762.8	95

Source : Rumbos Systems Limited Company
4th Trimester, 1980, p.44.

Within the Rumbos Circuit each inland station has relative administrative autonomy, which allows it to sell advertising in its own geographic area, and hire personnel in function of its net income. According to the information obtained by the researchers, almost all of the stations have a high percentage of listeners, which is partially due to the rating of the programmes produced and broadcast by the main station, headquartered in Caracas. Furthermore, it is important to note that the Rumbos Circuit and the Rumbos System are made up of stations located in the most densely populated areas of the country, which definitely affects the amount of revenue generated by the advertising sector. Further information on this point is provided in Table II.2 on the Estimated Penetration of Radio in Venezuela, which lists the major cities of the country with their corresponding population and estimated number of households with radio receivers.

The Rumbos Systems Limited Company refers to the company in charge of the commercial management of advertising announcements that are transmitted by the twenty-one affiliated radio stations. It includes the stations of the so-called Rumbos Circuit, which are listed in Table II.3.

The Rumbos System, in addition to managing all commercial aspects of the advertisements that are aired by its affiliates, also sells the current programmes and special features produced by Radio Rumbos. For example, the radionovelas produced by the Radio Rumbos Company are sold to almost all of the stations belonging to the Rumbos System at a price of B500.00 ($116) per radionovela. A radionovela consists of twenty-two chapters, which are broadcast daily for twenty-two days during the month, at a total production cost of B30,000.00 ($6,977.). The programming of Radio Rumbos includes some eleven daily radionovelas, aired from Monday to Friday.

II. 2 Economic analysis of the Radio Rumbos Station

Our analysis is exclusively concerned with the Radio Rumbos Station, for, given the limitations of this study, it would be virtually impossible to decipher the complex holding relations which affect the three entities previously referred to (Rumbos System, National Rumbos Circuit and Radio Rumbos Station).

TABLE II.2

Estimated Radio Penetration in Venezuela
(4th Trimester, 1980)

Cities	Population (thousands)	Number of Households	Households with radio	%
Caracas-Area Metptana.	2,944.0	545.2	534.3	98
Maracaibo	853.6	149.8	142.3	95
Valencia	497.5	90.5	87.8	97
Barquisimeto	432.8	74.6	70.9	95
Maracay	341.9	62.2	60.3	97
Litoral	219.9	38.6	37.8	98
San Cristóbal	196.0	35.0	34.0	97
Pto. La Cruz-Barcelona	245.4	44.6	41.5	93
Ciudad Guyana	214.1	38.9	37.3	96
Maturín	155.8	26.9	25.6	95
Cumaná	153.4	26.4	24.3	92
Isla de Margarita	149.8	26.8	25.2	94
Cabimas	152.0	26.2	24.9	95
Ciudad Bolívar	130.6	24.2	23.0	95
Acarigua-Araure	112.9	20.2	19.2	95
Ciudad Ojeda	107.1	18.8	17.7	94
Valera	95.0	18.3	17.6	96
Mérida	95.1	17.3	16.8	97
Puerto Cabello	93.6	17.3	16.8	97
El Tigre-Tigrito	89.6	15.7	14.4	92
Coro	83.8	15.3	14.4	94
Los Teques	83.1	15.1	14.8	98
Barinas	76.2	13.9	13.3	96
Punto Fijo(1)	94.8	16.3	15.5	95
Guarenas-Guatire	70.6	12.8	12.4	97
Guanare	49.0	8.8	8.2	93
San Juan de Los Morros	47.6	8.5	8.2	96
Sub-Total	7,790.2	1,408.2	1,358.5	96
OTHER AREAS OF COUNTRY	6,123.1	1,015.5	914.0	90
TOTAL	13,913.3	2,423.7	2,272.5	94

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(1) Includes Carirubana

Source : Rumbos Systems C.A., 4th Trimester 1980, p.4.

TABLE II.3

Stations Affiliated to Rumbos Systems C.A. 1980

Station	City	State
Radio Barcelona	Barcelona	Anzoátegui
Radio La Voz de El Tigre	El Tigre	Anzoátegui
Radio Sucre	Cumaná	Sucre
Radio Carúpano	Carúpano	Sucre
Radio Maturín	Maturín	Monagas
Radio Puerto Ordaz	Ciudad Guayana	Bolívar
Radio Guayana	Upata	Bolívar
Radio Maracaibo	Maracaibo	Zulia
Radio Libertad	Cabimas	Zulia
Radio Trujillo	Trujillo	Trujillo
Radio Turismo	Valera	Trujillo
Radio Cumbre	Mérida	Mérida
Radio El Sol	La Fría	Táchira
Radio Altura	La Grita	Táchira
Radio Táchira	San Cristóbal	Táchira
Radio Punto Fijo	Punto Fijo	Falcón
Radio 1.400	Barinas	Barinas
Radio Juventud	Barquisimeto	Lara
Radio América	Valencia	Carabobo
Radio Armonia	Valles del Tuy	Miranda
Radio Zaraza	Zaraza	Guárico

Source : Rumbos Systems C.A., 4th Trimester 1980, p.1.

When we speak of the "station" we are referring to the physical-functional entity, which is legally known as the Rumbos Compañia Anónima. It has the same shareholders as the National Rumbos Circuit and the Rumbos Systems C.A. The figures and data which we cite as being "supplied by the company" were provided by any one of the companies which are part of the complex system referred to throughout the text. This information appeared in authorized company publications or in advertising and media yearbooks and brochures. In certain cases, the researchers were given documents directly by the Rumbos Compañia Anónima.

As for the expenditures and profits (costs and benefits), given the difficulties encountered in obtaining the relevant data and the questions that may be raised about official figures, we were obliged to make a critical analysis of all available information. It goes without saying that the nature of our enquiry is strictly scientific and that we are willing to consider alternative interpretations if based on convincing evidence.

A definite separation has been made between the categories of investments, on the one hand, and annual expenditures (costs and expenditures) and income on the other hand. The last two categories are analysed separately and then compared in order to obtain the net income.

Investments

Due to the lack of company information, as well as the scarcity of data from official documents, it was difficult to ascertain the specific investments made in production and transmission equipment. We were only able to obtain a total figure for investments made by the company in 1979, when, due to a change of locality, all of the studio equipment was replaced.

The total figure for this period was B1,500,000 ($348,837.21), which, according to the administrative manager of the firm, covered the cost of new production and transmission equipment (consoles, turntables, microphones, etc.). Prior to this date the station had been using the same equipment for some twenty years, since the very beginning of the company's operations.

The Radio Rumbos Company (corresponding to the Rumbos Compañia Anónima)

has declared a social capital of B3,000,000. ($697,674.40), which is the same amount listed in the Media and Advertising Yearbook, Publicación Profesional Publicitaria.

Annual expenditures (costs and expenditures)

Relevant data provided by the company covers the following categories : "staff salaries", "other operating costs" and "depreciation of capital". According to official company information, in 1980 the Radio Rumbos Station paid out B7,973,590.00 ($1,854,323.25) in staff salaries, which included an increase of B800,000.00 ($186,046.51), corresponding to obligatory salary raises determined by Presidential Decree.

The station did not provide a list of the total number of employees and their individual salaries. The only information obtained indicated that the station had a total of 200 employees. However, trade unions provided copies of the most recent collective agreements, which listed 110 employees for production, technical and administrative jobs. Although these contracts do not include the management positions of the station - of which there are approximately 10 - one may conclude that either the data provided by the company are not realistic or that there are a certain number of temporary, piecework employees, who are hired for the artistic production of radionovelas.

Based on the information on the employees of Radio Rumbos, one may conclude that the monthly costs for pay and salaries for the 110 employees amount to B311,682,79 ($72,484.37)[1]. Three employees categories have been established : production, technical and administrative personnel. (Source : Ministry of Labour, Collective Agreement of 3-4-81, between the Rumbos C.A. (Radio Rumbos) and the Professional Trade Unions of Radio, Film, Theatre and Television Workers in the Federal District and the State of Miranda).

The production category includes a total of 67 employees who have

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(1) The annual total calculated for this number of employees is B3,740,193.48 ($869,812.43), a figure which is considerably less than that provided by the station, B7,973,590.00 ($1,854,323). The administrative personnel is not included.

various jobs related to the creation of radionovelas (actors, librettists, music writers, etc.) or news programmes (journalists, reporters, writers, etc.). The salaries for these 67 workers are not equal, but depend on the type of work and seniority. The total amount spent on salaries for production workers is approximately B208,976.44 ($48,599.17).

In the category of technical employees there are a total of 24 workers. The monthly salary expenditures amount to B65,511.00 ($15,235.12), for jobs that range from operators to technicians in charge of equipment maintenance.

Lastly, the administrative personnel of the station accounts for 19 employees, who have monthly salaries totalling B37,195.35 ($8,650.08).

In the production of radionovelas, which is the major type of programme produced by the station, the last collective agreement of April 1981 established, inter alia, the following conditions :

1) the radionovela chapters will have an average length of 20 minutes. The rate of payment will be B60.00 ($13.95) per chapter, based on B3.00 ($0.70) per minute of production. This rate applies to actors, directors, narrators, sound recordists and music writers.

2) The company guarantees a minimum quota of fifteen monthly performances for radionovelas to actors with temporary contracts.

3) For the adaptation of librettos for radionovelas or plays the company pays B72.00 ($16.74), except for librettos written for special programmes or original works. The majority of radionovelas or plays are adapted from already existing works. If the programmes should originate outside of Venezuela, they must be adapted at the company by Venezuelan employees.

4) The company agrees to use the same cast that worked in past productions, whether on a permanent or temporary basis.

5) Approximately 75 % of the radionovelas broadcast by the station must be written by Venezuelan authors.

Other operating costs

In this category we have included various expenses, which, according to the station's records, account for a total of B1,636,046.00 ($837,209). This total figure for 1980 may be broken down as follows :

TABLE II.4

Operating Costs

	in B	In $
supplies	319,999.00	74,186.04
purchase of recording tapes	73,654.00	17,128.83
electric lighting	391,000.00	90,930.23
telephone	130,000.00	30,232.56
subscriptions to international new agencies	62,000.00	14,418.60
copyright payments	32,032.00	7,449.30
travel expenses for journalists and technicians	25,000.00	5,581.39
rent	603,360.00	140,316.28
Total	B1,636,046.00	$380,243.23

(According to the station, and additional sum of B463,954.00 ($107,896.27) may be added for Miscellaneous Expenses).

The difference between the figures given above and those supplied by the company for this category (other expenses) is equal to the sum of investments made for production equipment and miscellaneous expenses (water, office expenses, repairs, social security, trade union dues, etc.). We have excluded investments from our calculations, and have only added the alleged sum of B463,954.00 for miscellaneous expenses.

Depreciation of capital

According to the information provided by the administrative officers of the station, the annual rate of depreciation for 1980 should be based on an annual figure of 10 % of the capital invested in equipment. However, it will be recalled that the station also stated that the equipment was completely replaced in 1979, after twenty years of use. Therefore, two observations may be made :

1) that the depreciation period should be closer to twenty years than ten years ;

2) that, in any case, the annual figure of 10 % of the total value of the equipment should be calculated on the basis of expenditures of B1,500,000.00 ($348,837.20) (for total replacement), which would be B150,000.00 ($34,883.72).

3) Even if the depreciation rate of 10 % is calculated on the basis of the totality of the declared capital assets (B3,000,000.00 ; $697,674.41) one would arrive at an annual figure of B300,000.00 ($69,767.44).

The figure provided by the company for the depreciation of capital is B459,244.00 ($106,801).

Revenue

This category includes income generated by advertising sold and aired by the Radio Rumbos station, as well as income for the sale of advertising included in special programmes transmitted by the station during certain periods of the year, especially for sports events (baseball, boxing, etc.).

Advertising revenue

This category only refers to income for advertising sales of the station (Rumbos Compañia Anónima). It does not include other sources of income for the station, nor advertising revenue earned by the National Rumbos Circuit or the Rumbos Systems C.A. The latter company receives 10 % on the total "sales" of advertising spaces in its affiliated stations throughout the country. According to company sources, its total revenue was B400,000 ($93,023.25). We will later demonstrate that this figure has to be considerably higher.

According to the same sources, the Rumbos Circuit and the Rumbos Station, each in their category, have the highest advertising revenue in the country. According to company figures, for 1980 the gross income of the station was B13,500,000.00 ($3,139,535.00). As the circuit includes five other stations, in addition to the main station, the total figure for the gross income of these five stations (see Table II.5) for 1979 was B8,912,248.62 ($2,072,615.95). If this is added to the gross income of Radio Rumbos for 1979, we have a total of B20,252,159.85 ($4,709,804.61).

TABLE II.5

Gross Income of the Stations Belonging to the Rumbos Circuit in 1979 and First Semester of 1980

Station	Gross Income 1979 ($ = 4.30)	1st Semester 1980	Prospective Survey two semesters 1980
Radio Barcelona	2,427,175.65	1,305,762.85	2,611,525.70
Radio Carúpano	1,441,161,51	636,345.24	1,272,690.48
Radio Maracaibo	1,635,851.80	760,582.32	1,521,164.64
Radio Punto Fijo	1,361,547.12	694.243.30	1,388,486.62
Radio Sucre	2,046,512.54	983,770.36	1,967,540.72

Source : Accounting Division of the Ministry of Transportation and Communications ; Report dated 22/7/1980. (The prospective data was provided by the company).

Critical analysis of the income of Radio Rumbos, based on other information provided by the company

In order to arrive at a more objective analysis, we have made additional calculations based on data on programming, the percentage of advertising aired per hour or per day, and even using the company's own statements on the "cost per thousand", that is, what it costs the advertiser to "reach" a thousand people among the station's listening audience. It is worthwhile to advance several hypotheses in order to determinate the reliability of the figures provided by the company on the Radio Rumbos Station.

Hypothesis I : Based on the information available from the advertising companies on the cost per thousand of a 20-second spot, which has an average price of B12.38 ($2.87) (for the advertiser), and the fact that Radio Rumbos claims a primary audience of 33,000 listeners, the following deductions may be made :

a) for a 20-second commercial announcement to reach 33,000 listeners, the advertiser pays B408.54 ($95.00).

b) for one minute of advertising we have three spots or a station income of B1,225.62 ($285.02) ; in one hour this figure reaches B73,537.20 ($17,101.67). Given that the station broadcasts for twenty hours a day and that advertising accounts for 29.25 % of broadcasting time, or 351 daily minutes of advertising, the station earns the impressive sum of B430,192.62 ($100,044.79) every day and B157,020,306.30 ($36,516,350.30) every year. Approximately 10 % of this total should be deducted (generally 7 % of commercials is station publicity or "free" promotional material), which gives us a gross income of approximately B141,318,275.70 ($32,864,715.28).

c) From this gross income, the station pays the advertising agent or middleman a percentage which ranges from 25 to 30 %. Taking the figure of 30 % we are left with an annual net income of more than 90 million bolivars, B98,922,792.99 ($23,005,300.70).

Hypothesis II : Another series of deductions may be made, based on the price of the spots and their distribution throughout a weekly period.

a) From Monday to Friday, the preferential spaces, during the news programmes and radionovelas, together account for 10 1/2 hours of broadcasting time ; using the average figure of the proportion of advertising time (29.25 %), we have 3 hours and 4 minutes of commercials. Calculating this advertising "package" on the basis of the lowest possible tariff, we reach the figure of B2,576,000.00 ($599,069.76), which corresponds to 184 minutes of advertising, aired during these spaces and sold on a monthly basis. Therefore, these advertising spaces annually provide the station with B30,912,000.00 ($7,188,837.21) in gross income.

b) To the above figure must be added advertising revenue for the other, non-preferential periods, which total, on the average, 9 1/2 hours per day, which amounts to 166 minutes of advertising (29.5 %). Again, using the lowest tariff, we arrive at a monthly gross income of B1,792,800.00 ($416,930.23) and therefore an annual figure of B21,513,600.00 ($5,003,162.79).

c) If we take into account the advertising periods during the weekends we have an additional 534 minutes. When multiplying this quantity by the cheapest tariff for "isolated" spots (neither "participatory" or "rotating"), that is, B492 ($114) per minute, we have an additional income of B12,610,944.00 ($2,932,777.67) per year.

d) If we add a, b, and c, we have a total of B65,036,544 ($15,123,614.00), which represents the total annual gross income. A deduction of 10 % for "losses" leaves a total of B58,528,390.00 ($13,611,253.48). A deduction of 30 % for middlemen, advertising agents, etc. would leave a sum of B40,969,873.00 ($9,527,877.00). Therefore, according to this hypothesis the station had a net income of over 40 million bolivars, almost three times the figure provided by the company.

Hypothesis III : Here we use a combination of the previous criteria :

a) We assume that one half of the commercials aired during the news programme and radionovelas correspond to "participatory" advertisements, which accounts for B15,456,000.00 ($3,594,418.60). The other half is calculated on the basis of "isolated spots" (lasting an average of 30 seconds), and in proportion to 92 minutes of advertising, which gives a sum of B24,641,280.00 ($5,730,530.23). This figure, when added to B15,456,000.00, provides us with a total of B40,097,280.00 ($9,324,948.83).

b) To the above total, for preferential periods, must be added the sum representing b) and c) of Hypothesis II, that is, B34,124,544 ($7,935,940.46). The total figure of gross income for advertising sales would thus be B74,221,824.00 ($17,260,889.00).

c) If we deduct 10 % from this sum for free spaces we are left with B66,799,642,00 ($15,534,800.00). If we deduct 30 % for agents we have B46,759,748.00 ($10,874,560.00), the net annual income of the station.

From the above hypotheses, one may therefore conclude that the net annual advertising income of the Radio Rumbos Station must be over 45 million Bolivars. However, as a precautionary measure, we will adopt the figure of 40 million Bolivars. We will refer to the latter figure throughout the remainder of this study, rather than that provided by the company, which did not withstand our comparative analysis.

The researchers in charge of studying the economic aspects of the Rumbos Limited Company (or Radio Rumbos) compared the 1980 figures on gross income provided by the administrative officers of the company with the corresponding statistics for 1979, furnished by the Accounting Division of the Ministry of Transportation and Communications.

1979 : B11,339,911.23 ($2,637,188.65)
1980 : B13,500,000.00 ($3,139,535,00)

If these statistics are correct, there was an increase in gross advertising receipts of B2,160,088.77 ($502,346.22). The rate of interannual increase, based on these figures, would be approximately 19.04 %.

According to figures provided by the Accounting Division of the Ministry of Transportation and Communications, in comparison with other radio stations, Radio Rumbos in 1979 had the highest gross income of all private radio stations in Venezuela. And it may be recalled that this station is only one part of a business conglomeration which also includes the five stations of the National Rumbos Circuit, strategically located in the most important areas of the country, and that, furthermore, there are an additional sixteen stations, which, although, not directly owned by this group, are affi-

liated to the Rumbos Systems C.A.

According to "official figures" in 1979 Radio Rumbos was at the top of the list of the six radio stations with the highest advertising revenue. With total receipts of B11,339,911.23 ($2,637,188.65), Radio Rumbos accounted for 25.4 % of the total income of all six stations.

Income for sales of special programmes

The company claims to have received income for special programmes amounting to B2,000,000.00 ($465,116.27) in 1980. The researchers were informed that this category of programmes applies to the transmission of boxing matches, baseball games and other very popular sports events. Although we had no other data at our disposal enabling us to chalenge this figure, given the total amounts for other categories, it would seem to be open to question.

Neither was any information available on receipts earned for the production of programmes (especially radionovelas) which are sold to other stations belonging to the National Rumbos Circuit or the Rumbos Systems C.A. In this area, even more than in other categories, the information provided by the station suffers from a lack of credibility, since there can be no doubt that the Radio Rumbos station sells programmes through both the circuit and the system.

Independent producers(1)

The Radio Rumbos Station offers an excellent example of the programming of certain so-called "independent productions". It should be pointed out that there is good reason to believe that such "independence" is quite relative when dealing with station such as Radio Rumbos, especially when it also involves both the National Circuit and the Rumbos Systems.

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(1) The data and figures for this section were obtained primarily from the "Publicación Profesional Publicitaria" (PPP), Year 14, 1980, Caracas.

There are several cases of this type of production being aired on the Radio Rumbos Station - the main station - on the National Rumbos Circuit (with the other five stations owned by the Serrano Group) and, finally, on all of the stations affiliated to the Rumbos Systems C.A. These programmes are assured such wide coverage because the majority of such productions are of special national interest. (sportive events, musical or entertainment programmes).

An example of this type of programming would be that offered by the Leones del Caracas Circuit, which, in terms of transmission, may be viewed as a sub-circuit. Radio Rumbos, the main station, and the twelve stations belonging to the Rumbos System (among them, the five affiliated to the National Rumbos Circuit) "joint together" in a network in order to broadcast the series or regular season of the national championship of professional baseball, including the final "play-office", the so-called "star game" and the "Caribbean series".

This programming is offered by an "independent producer" : the Tovar-López Production Firm. The advertising rates, which are extremely high, are established by the firm itself. The cheapest rate (for a 20-second spot, repeated nine times for each game transmitted during the championship) is B220,000.00 ($51,162.79). The most expensive spot (with the same conditions as the former rate, in addition to which the product is mentioned for each partial or total result of other games which are not broadcast live) is B330,000.00 ($76,744.18).

Based on other specific cases, the following observations may be made on "independent producers".

1) A distinction must be made between the different types of programmes offered, based on the type of coverage : some programmes use Radio Rumbos as a vehicle (in our research we only found one such case) while others offer various combinations of more or less national coverage, which tends to have a minimum of twelve very well distributed stations.

2) External production has definite advantages as far as production and management are concerned. It is also possible that there may be certain

tax advantages, since advertising sales are made directly by the producer. However, it would be logical to assume that the Rumbos System, the National Rumbos Circuit and Radio Rumbos earn, either together or separately, a high percentage of this advertising revenue. Moreover, Radio Rumbos, the "driving force" of the system undoubtedly accounts for an important percentage of the revenue earned by the company for these "externally produced" national programmes. The existence of this additional income only reinforces our assertion that our previous calculations were minimal.

Gross profit and net profit

According to the company (and the Accounting Department of the Ministry of Transportation and Communications), its gross profits in 1980 were B3,467,166.00 ($806,318.00). However, based on the conclusions reached in the other sections of this chapter, the gross profits of Radio Rumbos (Rumbos Limited Company) for 1980 could not have been less than the sum of B31,776,410.00 ($7,389,862.70).

Obviously, this gross profit would drastically alter the amount of income taxes paid by the company in 1980 (fiscal year). According to the company, the latter amounted to B792,817.00 ($184,376.00), based on a rate of 22.9 % of the taxable gross profits. This figure does not exactly correspond to the total amount of gross profits declared by the company, but the difference is only slight. In any case, as far as we are concerned, the net profits amount to B30,810,954.00 ($7,205,486.70).(1)

II. 3 Conclusions

From the aforegoing analysis of the economic activities of the Radio Rumbos Station, one may arrive at certain overall conclusions on the radio broadcasting system in Venezuela. First of all, it is striking that a station with a capital of only 3 million Bolivars ($697,674), in a country with the level of economic development of Venezuela, has achieved the most important ranking in the country in terms of coverage and penetration. In

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(1) Net profits = gross profits - income tax + radio broadcasting tax

this connection, it is worthwhile to insist upon the relations existing between the three entities of the proprietary group. In reality, in spite of the separate analysis which we have made, neither the circuit nor the system could have achieved such eminent status without the driving force of the main station. The latter, in turn, cannot be viewed in isolation from the network of stations of which it is the centre.

The figures on the capital of the main station point to an important fact which has already been stressed in the RATELVE Report and other studies : the low level of private investment for commercial/advertising-oriented radio broadcasting. A much more important level of capital investment would be necessary for a radio broadcasting system with more demanding requirements in terms of technical quality and especially programme quality. The fact that, by the station's own admission, the equipment was only replaced after twenty years, in 1979, in spite of the enormous increase in advertising sales and consequently in the station's and circuit's rate of listening, demonstrates the extremely low level of investments (and re-investments) for this type of activity. In light of this situation, one may question the "public service" function fulfilled by this station.

As for annual expenditures, what is most striking is the station's operating costs, which are extremely low in relation to the range and penetration of the station, but which may be viewed as rather high in relation to the accumulated capital. What this means is that although relatively small amounts are spent in relation to the size of the "affair" (and especially in view of the profits) there can be no doubt that proportionally this type of activity involves more expenditures than capital, more software than hardware, more variable capital than fixed capital. This is perfectly clear when one observes the proportion between costs for staff salaries and those for other categories which the firm defines as "other operating costs" and "depreciation of capital". These observations lead us to consider this type of activity within the economic sector usually known as "services" (rather than as an "industry" of radio broadcasting). Actually, in the present dependent capitalist framework of Venezuela, radio broadcasting is viewed as a commercial activity of the service sector, which practically serves as an

intermediary between production and commerce, on the one hand, and on the other, between production and mass consumption. What the radio stations "sell" via advertising agencies, are "audiences", divided into groups and subgroups which are specified for specific times and types of programme.

The most interesting part of this chapter concerns income as this is the key which explains everything else and which allows us to understand the complexity and interrelatedness of the different entities and activities within the specific structure examined. We have discredited the figures provided by the station on its revenue, since it was evident that, calculating on the basis of even the lowest advertising rates, the station's income had to be from three to ten times higher than what was claimed, which modifies not only the quantity of the income but even the "scale". In other words, we are not just referring to a "reasonable" income, but rather to extremely profitable revenue, which is now quite common in the area of private radio and television broadcasting in Venezuela, and in a general sense in the area of all advertising media.

In connection with the question of revenue, it may also be pointed out that to accept the level of annual income claimed by the company would mean accepting a proportion of slightly more than 22 % for the profit/annual income ratio, whereas it is well known in advertising circles that this ratio is always much higher in favour of profit, which tends to be approximately 50 % of the annual income, given the high disproportion between expenditures and income. This is due to the fact that we are dealing with a business in which, once access to a large portion of the public has been acquired, the increases in revenue have virtually no relation to operating costs, and there is no need for large re-investments or even for increasing capital investment in equipment.

Based on our calculations of the gross profits of the company for 1980 (more than B31,000,000.00 ; almost $7,500,000.00), the annual earning power of the accumulated capital is, amazingly enough, more than 1,000 Bolivars for each 100 Bolivars invested in this enterprise. Moreover, 73 % of the annual income is net profit. (Expenditures, costs and payments account for only 27 %).

In a country where advertising expenditures per inhabitant are higher than in many developed countries, and where the acknowledge distortion of consumption constitutes the basis of a disproportionate development of commerce and services (given that this development does not correspond, as in other countries, to a high level of productivity for the industrial sector), it is quite understandable that radio broadcasting in Venezuela has become an extremely lucrative affair. With approximately 3,000 million Bolivars annually spent on advertising, the per capita impact of these expenditures is more than 10 and 20 times that of other Latin American countries.

CHAPTER III

RADIO PROGRAMMING IN VENEZUELA

III. 1 Amount of radio broadcasts in Venezuela

The extremely complex structure of radio broadcasting in Venezuela has precluded any possibility of establishing a periodic system for monitoring radio programming throughout the country. Not only is the exact number of radio stations now in operation unknown (estimates range from 152-162), but even worse, their integration into "networks", "systems", and "circuits", makes it very difficult to determine what programmes a specific station is actually broadcasting at a given moment. In general, the inland stations become "attached to" (in the form of a network) the main stations of the capital, for the simultaneous transmission of their programmes ; this "linking" phenomenon is especially common for the transmission of news programmes. Furthermore, the programming of radionovelas poses a further difficulty : the programmes produced by the stations in the capital are broadcast at a later date by the inland stations. As a result of these two phenomena - "linking" and "retransmission" - the vast majority of the country's stations are completely lacking in autonomy and depend directly on the programming of the main stations in the capital.

In view of this situation, it is understandable that global diagnoses are impossible and that in order to establish an approximate calculation of the number of hours per year transmitted by Venezuelan radio one must make projections based on a methodology which is necessarily deficient in certain areas. Our own estimates will be based on the following studies :

a) The first study of this kind, a diagnosis of radio programming in Venezuela (1963) authored by Antonio Pasquali.(1)

b) The research carried out by ININCO on "Radio Broadcasting Services of the Venezuelan State", which analysed the programming of the two

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(1) Antonio Pasquali, Comunicación y Cultura de Masas, 4th Edition, Caracas, Monte Avila Editores, 1976.

national radio channels in Venezuela (public sector) during two one-week periods in 1974 and 1977. (The results of this study will not be taken into consideration for establishing the number of hours per year of radio broadcasts in Venezuela, as the public system, in several respects, is not comparable to the predominant national system of private radio broadcasting).(1)

c) The analysis made by ININCO on radio programming in the area of Guayana during the month of July 1977, based on four regional stations and one station in the capital.(2)

These studies cover programming that emphasizes drama (the Pasquali study) and musical items (the ININCO study on Guayana) but do not cover another type of programming format which incorporates a fairly equal share of the three most popular genres in radio broadcasting : radionovelas, news programmes and music. The absence of studies examining the typical features of this type of programming has led us to proceed with an analysis of Radio Rumbos. The latter exemplifies this third type of programming which, in our opinion, cannot be excluded when attempting to estimate, on a national basis, the amount of radio programming.

Obviously, there are other types of radio programming in addition to the three mentioned above. For example, as of this writing, on national radio there is no advertising. Consequently, this "opens up" 30 % of programming time, which for the two public channels, is occupied by classical or popular music.

Although of very limited national significance, there are also FM "cultural" broadcasts (cultural stations in Caracas) and other programmes which are more or less of an educational nature (Radio Fé and Alegría). However, such programming must be excluded from a global analysis for, in terms of the number of hours broadcast per year, it in no way compares with the three types of programming offered by the private/commercial sector.

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(1) ININCO (Various Authors), Servicios de Radiodifusión del Estado Venezolano. Unpublished Document, 1978.

(2) ININCO (Various Authors), Estudio de factibilidad para el establecimiento de un sistema de radiodifusión en Ciudad Guayana, Caracas, 1977.

The three studies cited above, together with our analysis of the programming of Radio Rumbos, nonetheless present certain difficulties in calculating an estimated number of hours of programming per year. First of all, since these various studies were carried out in periods of time ranging from 1963 to 1980, a direct comparison is not feasible. Secondly, it is not possible to guarantee accurate comparisons between the different stations examined in each study. In spite of the fact that the most rigorous study (in terms of the range of the programming sample analysed) concerns the public sector, we were unable to use the estimate of the amount of programming hours per year on a national basis, due to the minority status of public radio broadcasting in Venezuela (see Chapter I). It was also difficult to compare the stations belonging to the private sector, not only because of the various types of programming but especially because of differences due to their status either as main stations located in the capital or as regional stations "linked to" a network;

In spite of these difficulties, we were able to estimate the number of hours of radio broadcasts per year, although the margin of error is undoubtedly quite high. Our estimate relies on the following assumptions :

1. The 156 radio stations now operating in Venezuela may be divided into approximately equal thirds for the three basic types of programming (see section three of this chapter).

2. Each of the radio stations examined in the various studies exemplifies a type of radio programming which emphasizes a specific content :

- Radio Tropical (Pasquali, 1963) represents the type of programming which places relative emphasis on the drama genre (especially radionovelas).

- Radio Capital and the stations in Guayana (ININCO, 1977) represent the type of programming which is heavily slanted towards light music.

- Radio Rumbos (ININCO, 1980) represents programming which gives equal proportions of broadcasting time to both dramatic and musical genres.

Advertising and news are presented in all three types of programming. The former is the most important category at the national level, while the latter accounts for 10-20 % of broadcasting time in the different types of

programming.

3. Radio stations in Venezuela broadcast for an average of 18 hours per day.

Based on the aforegoing suppositions, an estimate was made of the annual number of hours of radio broadcasts in Venezuela, using the following procedure :

1) In order to satisfy the first assumption, equal weight was given to each of the three types of programming.

2) In order to satisfy the second assumption, a system was elaborated for assigning an equal value to each of the three basic types of private radio broadcasting in Venezuela. Thus Radio Rumbos and Radio Tropical, representing two different types of programming, were each given a value of 1. For the third type of programming, represented by four different radio stations, each station was given a value, the sum total of which also equals 1. Hence the following chart :

- A value of 1 was given to Radio Tropical (Pasquali, 1963)
- A value of 1/6 was given to Radio Caroní (ININCO, 1977)
- A value of 1/6 was given to Radio Canaima (ININCO, 1977)
- A value of 1/6 was given to Radio Puerto Ordaz (ININCO, 1977)
- A value of 3/6 was given to Radio Capital (ININCO, 1980)

The estimate of 18 hours of broadcasting per day (assumption 3) was multiplied by 365 days, and by 156 stations, which gives the figure of 1,024,920 hours of radio broadcasting per year. This figure, in turn, was used to estimate the number of hours of broadcasting per year for the various categories of programming.

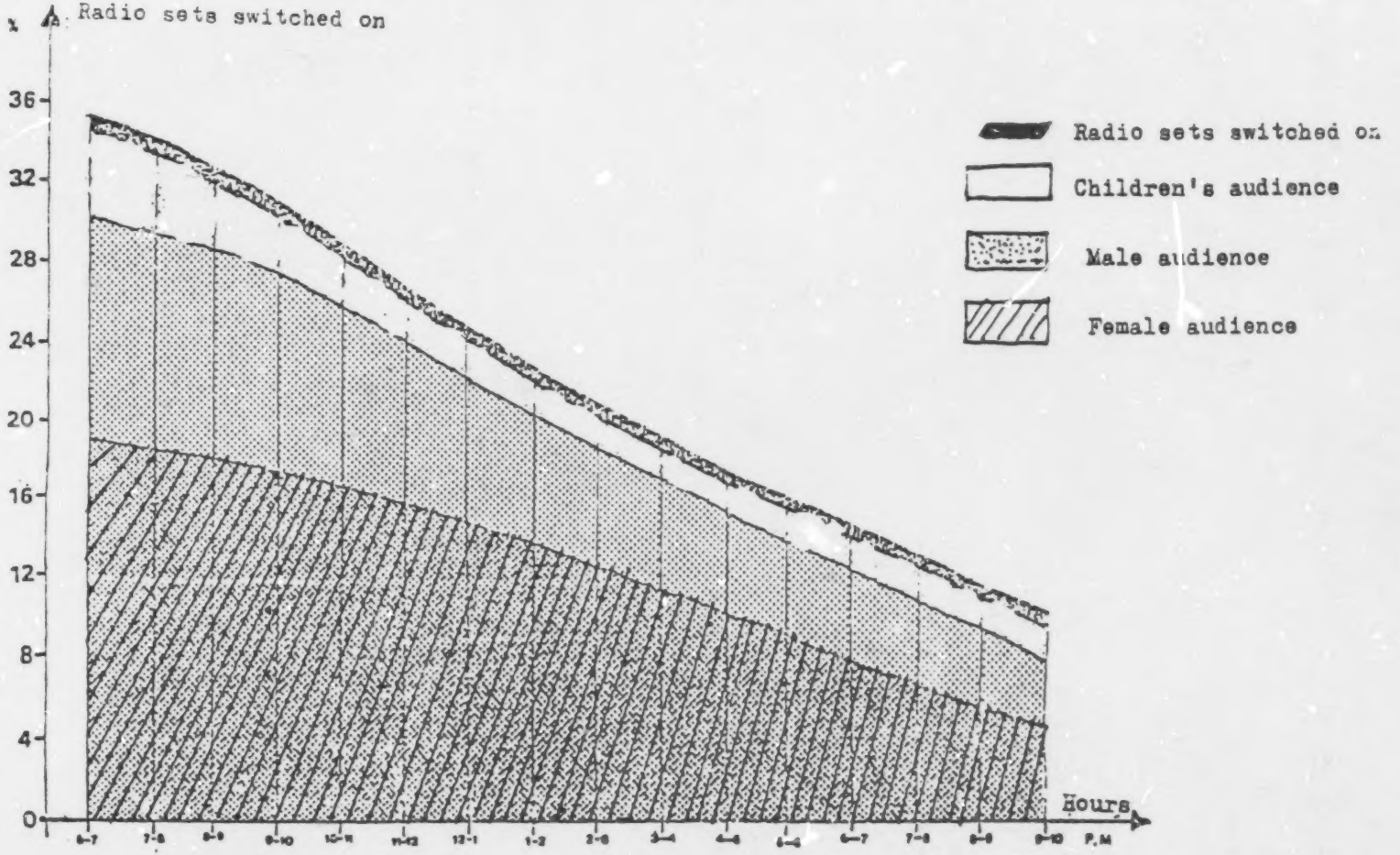
TABLE III.1

Radio Programming in Venezuela : Annual Broadcasts (in hours and %)

Category of Programming	Broadcasts (Hours/Year)	% of Total
Lyrical Music	-	0.00
Light Music	227,635	22.21
Information, News	156,505	15.27
Advertising (Announcements, Publicity)	314,548	30.69
Drama (particularly radionovelas)	197,400	19.26
Sports (" ")	12,914	1.26
Entertainment and Variety Shows	13,324	1.30
Educational Programmes	307	0.03
Cultural Programmes	3,382	0.33
Children's Programmes	1,435	0.14
Other Categories	97,470	9.51
Total	1,024,920	100.00 %

Note : These annual figures, based on analyses corresponding to 1963, 1977 and 1980 do not relate to any year in particular, but offer an approximation of the "programming choices" made during the period of study.

Graph III.1 Curve Illustrating Listening Patterns and Audience Composition for Radio Broadcasting in Venezuela



Data adapted from private sector sources; See Note 4.

ININCO 1981

III. 2 Listening and audience rates

Although this chapter shall not attempt to give a detailed account of the number of radio sets switched on and the audience composition, it is nonetheless worthwhile to briefly examine how these million hours of radio broadcasting are received by Venezuelan listeners. For this purpose, we have adapted data from the private sector[1] referring to surveys carried out in urban areas of Venezuela in 1980 in order to draw a curve illustrating listening patterns and audience composition. (Please refer to Graph III-1). This curve will be of particular relevance when analysing the relationship between advertisements and the programming periods in which they are inserted.

Additional information related to Graph III-1.

Figures on listening patterns and audience composition for Radio Rumbos. (Source : Rumbos System C.A., 4th Trimester 1980).

1) Radio Rumbos reaches 31.75 % of the total number of households covered by radio broadcasting in Caracas.

2) Households reached by Radio Rumbos, according to socio-economic categories in Caracas. (Please refer to Annex for detailed explanation of these categories).

categories A-B-C : 26.9 % of the households reached by radio broadcasting in Caracas in these categories.

categories D-E : 33,47 % of the households reached by radio broadcasting in Caracas in these categories.

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(1) We have made use of the following documents :

a) Datos C.A. 1980 ; brochure published by Datos C.A. (Datos Limited Company).

b) El Mercado Venezolano 1980/1981 ; publication of J.W. Thompson C.A., of Venezuela.

c) Guía de Publicidad y Mercadeo, 9th Edition, Caracas, 1975.

3) Coverage assured by Radio Rumbos in automobiles in the city of Caracas and the metropolitan area :

Hour	Listening Rate (%) in Automobiles
7 to 8 a.m.	20.4
8 to 9 a.m.	9.0
9 to 10 a.m.	6.1
10 to 11 a.m.	5.0
11 to 12 m.	8.4
12 to 1 p.m.	14.4
1 to 2 p.m.	8.3
2 to 3 p.m.	5.6
3 to 4 p.m.	7.9
4 to 5 p.m.	8.0
5 to 6 p.m.	15.8
6 to 7 p.m.	14.2
7 to 8 p.m.	11.0
8 to 9 p.m.	16.5

4) Households reached by Radio Rumbos in its "primary area" :

a)	Socio-economic categories A-B-C :	7,800 households
b)	Socio-economic categories D-E :	26,000 "
c)	All categories :	33,000 "

Our usage of these categories should not be interpreted as an endorsement of the marketing techniques used for their determination. In a commercial broadcasting system, the rate of listening and audience composition are viewed as "industrial secrets", on the one hand, and on the other hand, are used as the basis of calculating advertising rates. Therefore, since they are subject to commercial pressure, they are undoubtedly open to question. Nonetheless, they are the only figures available on this subject.

III.3 Programming options

a) Radionovela Programming refers to that type of station programming in which this dramatic genre is predominant. A typical example of this type of programming would be the Radio Tropical broadcasts, studied by Antonio Pasquali in 1963. The results of this study are presented in Table III.2.

TABLE III.2

Programming Options in Venezuela Radio Broadcasting (With emphasis on programming categories, expressed in percentage of the respective programming)

Programming Categories	Radionovela Programming Option (Pasquali, 1963)	Musical Programming Option (ININCO, 1977)	Mixed Programming Option (ININCO, Radio Rumbos, 1980)
Lyrical Music	-	-	-
Light Music	-	47.72(1)	18.90(1)
News	17.60	9.15	19.05
Advertising (Announcements and Publicity)	31.40	31.41	29.25
Drama	34.80(1)	2.10	19.99(1)
Sports	-	..	3.79
Entertainment and Variety Shows	-	0.68	3.21
Educational Programmes	-	-	0.09
Cultural Programmes	-	-	0.99
Children's Programmes	-	-	0.41
Other Categories	16.20	5.34	4.32
	100.00 %	100.00 %	100.00 %

(1) Categories of programmes which are typical of the respective option. The news and announcement categories are not used for this purpose as they are present, with only slight variations, in all of the programming options.

b) Musical Programming refers to radio programming in which light music is quantitatively predominant. The typical example of this kind of programming would be the broadcasts of Radio Caroni, Radio Canaima, Radio Puerto Ordaz and Radio Capital, which were studies by ININCO in 1977. The results of this study, with certain adaptation, are also indicated in Table III.2.

c) Mixed Programming is that type of programming which offers an equal amount of drama (radionovelas) and music (light). Table III.2 also incorporates the results of the study carried out by ININCO on the broadcasts of Radio Rumbos.

Although these three formats do not represent the entire range of programming option, according to our estimations, they are typical of 90 % of the AM stations in Venezuela.

Of course, this does not take into account either advertising or news, typical radio broadcasting genres in Venezuela. Although advertising, in absolute terms, is the most important radio genre in the broadcasts of the private sector and news also has a definite quantitative significance, both categories are homogeneously reflected in the three programming options. Therefore, it is not worthwhile to incorporate them in a differential analysis of the predominant modes of programming.

III. 4. Global evaluation of radio programming in Venezuela

a) Commercial-advertising: Thus far our examination of the annual amount of broadcasting time and the particular type of programmes emphasized within the programming options leads us to the conclusion that the transmission of advertising spots and publicity constitutes the predominant note of a radio structure which basically may be defined as private-commercial.

More than 300,000 hours of commercial "spots" per year make this "radio genre" the fundamental raison d'être of the Venezuelan radio system. If it is estimated that, on the average, each of these commercials lasts for approximately 20 seconds one arrives at the astonishing figure of 56 million

spots aired every year on Venezuelan radio. It would certainly seem that this quantity of advertisements somewhat attenuates the "public service" status of Venezuelan radio claimed by the private sector.

b) Maximum profits/minimum costs : The types of programming which we have outlined strictly adhere to the criteria of maximum profits/minimum costs. In collaboration with the interests of the transnational industries, economy-of-scale products are much cheaper for Venezuelan radio than national products. This criteria explains the choice of programmes purchased as well as the chronic state of disinvestment of the Venezuelan radio industry. The ridiculously low figure of B76.00 ($17.67), which represents the average cost per hour of private radio programmes is a clear indication that local radio broadcasters have virtually no interest in producing their own programmes.

III. 5 The programming of Radio Rumbos during a one-week period of 1980

As previously stated, this report is based on two diagnostic programming studies carried out prior to 1980 and a week-long study of the programming of Radio Rumbos in 1980. Radio Rumbos was chosen for the following reasons :

a) It is located in the capital ; this was obligatory as it was not possible, due to the limitations of our research, to analyse and inland station.

b) Radio Rumbos reflects, on the whole, a "mixed" programming option, as defined in section 3 of this chapter. Since the station which were the subject of previous studies corresponded to the radionovela and musical programming option, it was necessary to include this third option in order to complete the panorama of the major programming models now in use in Venezuela.

c) A final criteria fulfilled by Radio Rumbos was its wide range of reception. Since it is the main station of the circuits and systems described in preceding chapters, it has an assured indirect coverage of almost the entire national territory, and throughout the country it is invariably listed as one of the five top-ranking stations in terms of listening audiences.

The period of analysis

The broadcasts analysed were aired from Monday, 12 May 1980 to Friday, 16 May 1980 inclusive, in a time period extending from 6.00 a.m. until 10.00 p.m. A total of 80 hours of programmes were examined.

Categories used in general analysis of programming

The following programme categories were used for this study :

1. Lyrical music (symphonic and chamber music and opera)
2. Light music
3. News (information services)
4. Advertisements (political and commercial announcements, promotional station material)
5. Drama (especially radionovelas)
6. Sports
7. Shows and variety programmes
8. Educational programmes
9. Specially selected cultural programmes
10. Children's programmes
11. Other categories

Description of programming analysed

The structure of the daily programming of Radio Rumbos is as follows :

6.00 to 8.00 a.m.	Morning News
8.00 to 11.30 a.m.	Radionovelas
11.30 to 1.00 p.m.	News
1.00 to 3.00 p.m.	Radionovelas
3.00 to 5.00 p.m.	Light music
5.00 to 6.00 p.m.	News
6.00 to 7.00 p.m.	Shows and variety programmes
7.00 to 9.00 p.m.	Light music
9.00 to 10.00 p.m.	Sports

The greater part of the programme contents of Radio Rumbos is made up of radionovelas, news and light music. All of these programmes have a large portion of advertisements. There is no lyrical music broadcast by the station. Radio Rumbos only airs light music, which is usually of Latin origin, either Venezuelan or foreign. A smaller proportion of popular music is diffused ; because of the way it is produced it cannot be considered as folk music.

The typical programming of the station consists of radionovelas. Each radionovela lasts approximately one half hour ; therefore during the three hours dedicated to this genre both in the morning and evening, six radionovelas are aired. They are interspersed with programmes of very short duration, which offer general historical, scientific or cultural information. Apart from these short spaces, in the entire daily programming of Radio Rumbos there are no other programmes which may be classified as cultural.

Neither are any educational programmes diffused. Children's programmes are only aired for short periods between 6.00 - 7.00 p.m. The children's portion of the shows and variety hours lasts approximately 15 minutes. Thus, cultural and educational programming is virtually absent from Radio Rumbos.

The news programmes include a short period of "serious" national or international information ; most of the time is taken up with trivial news and police reports. The news which is most commonly aired, with commentaries or interviews, deals with crime or national disasters.

The news genre consists of reading or commenting on news which is generally obtained from the news agencies' teleprinters. There is no reporting as such and any interviews aired are usually with personalities from the capital.

The shows and variety programmes are basically humourous. Generally a well-known comedian tells jokes or makes amusing comments on politics or current events. There are no "live" broadcasts of musical and variety programmes.

The sports broadcasts primarily offer international sporting events transmitted by satellite (with comments by the station's announcer) as well as national boxing, baseball and football championship.

Announcements, as may be observed further on in the quantitative presentation of programming spaces, take up a considerable amount of broadcasting

time. Announcements on Radio Rumbos may be divided into two categories :

1) commercial advertising and political and governmental propaganda ; and

2) announcements promoting either the station or its programmes.

Commercial advertising usually consists of brief announcements, which last less than one minute. These "spots" were repeated incessantly throughout the 80 hours analysed.

TABLE III. 3

Distribution of the Programming of Radio Rumbos According to Programme Category and Broadcasting Time (Expressed in percentage)

	Lyrical Music	Light Music	News	Advertisements	Drama	Sports	Shows and Variety Programmes	Educational Programmes	Cultural Programmes	Children's Programmes	Other Categories
6-7 a.m.	-	-	46.70	49.43	0.33	-	0.37	-	0.10	-	3.07
7-8	-	-	42.83	51.57	-	-	-	-	4.70	-	0.90
8-9	-	-	21.57	25.50	44.67	-	-	-	1.23	-	7.03
9-10	-	-	0.60	29.80	57.00	-	-	-	2.94	-	9.67
10-11	-	-	1.43	26.43	62.80	-	-	-	2.17	-	7.17
11-12	-	-	37.20	31.03	26.10	-	-	-	0.87	-	4.78
12-1 p.m.	-	-	55.53	44.03	-	-	-	-	-	-	0.43
1-2	-	-	3.53	20.50	64.23	-	-	0.63	1.43	-	9.66
2-3	-	13.43	0.60	12.63	64.70	-	-	0.80	0.83	-	7.21
3-4	-	71.23	2.93	25.83	-	-	-	-	-	-	-
4-5	-	77.37	5.00	17.56	-	-	-	-	-	-	0.07
5-6	-	-	57.77	42.20	-	-	-	-	-	-	0.03
6-7	-	-	1.67	32.60	-	-	51.03	-	1.57	6.60	6.53
7-8	-	63.50	2.60	26.40	-	-	-	-	-	-	7.50
8-9	-	60.80	9.37	13.83	-	13.50	-	-	-	-	2.50
9-10	-	16.17	15.50	18.64	-	47.13	-	-	-	-	2.57
Averages	-	18.90	19.05	29.25	19.99	3.79	3.21	0.09	0.99	0.41	4.32

Notes : 1) For each line corresponding to the hour, 100 % equals 5 hours : Monday to Friday in the hour given in the first column.

2) In the line corresponding to the Averages, 100 % equals 80 hours (the total number of hours analysed in this study).

Observations on Table III-3

1) The category of advertisements is, ostensibly, the most important type of programming used by Radio Rumbos. It accounts for a total of 29.25 % of broadcasts ; in one case it even accounts for over 50 % of the broadcasting time.

2) Drama (primarily radionovelas), light music and news are all given equal weight in the programming of Radio Rumbos. Each category accounts for approximately 20 % of the total programming, which allows us to classify this station as representative of the mixed programming option.

3) The other categories, taken as a whole, account for less than 15 % of the station's broadcasts.

III.6 Analysis of the relationship between advertisements and programme contents

The hypothesis which we will examine in this section is as follows : there are definite relationships between the announcements sponsored by certain types of advertisers (either individuals, companies, public service institutions, political parties or the State) and specific radio programme contents.

This hypothesis has been sufficiently supported throughout the history of advertising ; ever since the expression "soap-opera" was coined, the detergent industry has been singled out for its advertising link with certain kinds of dramatic serials. Nonetheless, the charge of "ideological manipulation" levelled against this type of industrial control of media programming has been denied and rejected by the media themselves and especially by advertising agents. The latter have used the argument that the sale of advertising/announcement spots has followed a rotating system which prevents the existence of sponsorship which might allow for ideological manipulation. In addition to pointing out the errors in this argumentation which denies such manipulation, in this section we shall attemps to demonstrate that this situation still prevails in Venezuelan radio broadcasting. We shall also specify the levels of advertising concentration in specific programme contents.

In order to make the necessary analysis, in codifying the recorded

broadcasts of Radio Rumbos we registered each of the names of the products-services-political parties-individuals which were announced during the eighty hours of programming analysed for this study. Subsequently a global figure was calculated for the total amount of time dedicated to each product advertised, as well as the frequency and duration of each announcement during the nine programme periods. This procedure allowed us to group the various products and services in the categories which are listed further on, in order to establish an overall view of the thirty-four types of products advertised, which are also occasionally referred to as "types of advertisers", it being understood that similar products (such as carbonated drinks and artificial fruit juices) are not necessarily promoted in the same way by their respective advertisers (for example, Coca Cola and Pepsi Cola).

It should be quite clear that we have not analysed the advertiser as a company, financial consortium or group, but rather have created categories of hypothetical conglomerates of advertisers, based on the qualitative-generic similarity of the various products advertised.

Categories used to classify the various products and services advertised

41 : COMMERCIAL ADVERTISING

- 4101 : Carbonated and imitation fruit drinks
- 4103 : Liqueurs, wines and beers
- 4104 : Canned food and food stores
- 4105 : Cafes, bars and restaurants
- 4106 : Household furniture and furnishings
- 4107 : Cosmetics and deodorants
- 4108 : Clothes and footwear
- 4109 : Radios and recording equipment
- 41091: Records, cassettes and films
- 4112 : Cleaning products
- 41121: Detergent and bleaches
- 41122: Soaps and shampoos
- 4113 : Pharmaceutical products and medicines
- 4114 : Automobile industry
- 41142: Trucks, equipment and machinery

41143: Services, parts and repairs

4117 : Jewelry, imitation jewelry and watches

4121 : Promotion of cultural events

4122 : Promotion of festivals and entertainment

4123 : Promotion of arts and crafts festivals (commercial)

4124 : Travel and tourism, hotels and agencies

4125 : Promotion of radio programmes being listened to

4126 : Promotion of other station programmes (Rumbos)

4127 : Banks and financial institutions

4128 : Other advertising

42 : POLITICO-INSTITUTIONAL ANNOUNCEMENTS

421 : Political parties

422 : State institutions

423 : Public services offered by private institutions

424 : Religious services

43 : PUBLIC SERVICE ANNOUNCEMENTS

432 : Requests and complaints about the station, for the benefit of the audience

433 : Information on public services

434 : Obligatory identification of Radio Rumbos
(Special case : this cannot be viewed as station promotion, as it is a legal obligation ; supposedly, the listener is provided with a service when he is told which station he is listening to).

435 : Other services

44 : PAID NON-COMMERCIAL ANNOUNCEMENTS FOR INDIVIDUALS

440 : This category would include announcements such as "A reward is offered for the return of lost documents...", "A car with license plate numbers... has disappeared", etc.

NOTES :1) The categories whose codes begin with 41, 42 and 44 correspond to advertising spaces sold by the station, that is, advertising which generates revenue.

2) There is some doubt as to whether the categories whose codes begin with 43 actually generates direct income for the station. They may represent an indirect guarantee of a certain audience, which is the basis for calculating advertising rates.

3) The only category which definitely does not generate income for the station is 434.

Types of advertising contracts

The alleged lack of preference for specific programme contents (which would be the logical consequence of "public service" announcements) is contradicted, in the first place, by the variety of advertising contracts available in the commercial radio system. The following list of possibilities available for the insertion of advertisements in different programmes, offered by J. Walter Thompson C.A. of Venezuela, illustrates the wide choice of contracts clients may choose from[1]:

- rotating advertisements from Monday to Saturday, from 6.00 a.m. to 12.00 p.m. ;
- select advertisements from Monday to Saturday (with choice of time period) ;
- advertisements inserted in news programmes from Monday to Saturday ;
- advertisements inserted in radionovelas from Monday to Friday ;
- advertisements inserted in specific programmes from Monday to Saturday ;
- sponsorship of traffic bulletins, from Monday to Saturday ;
- sponsorship of special events (boxing, baseball, football, etc.).

In addition to the above-mentioned "general" possibilities offered by J. Walter Thompson, the clients of Radio Rumbos also have a number of other options available :

- advertisements broadcast by Radio Rumbos (various long-wave frequencies) ;

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(1) "El Mercado Venezolano, 1980/1981" ; publication of J.W. Thompson C.A. of Venezuela.

- advertisements broadcast by the National Rumbos Circuit ;
- advertisements broadcast by the Rumbos Systems C.A. ;
- advertisements reaching five continents on the 9,660 short-wave frequency of 31 metres.

The "rotating spots", broadcast from Monday to Saturday, between 6.00 a.m. and 12.00 p.m. would be the nearest example of the hypothetical public service ; the advertiser relinquishes the choice of a specific target-audience. The sponsorship of special events, on the other hand, constitutes the optimal form of advertising in terms of the choice of a specific audience.

Programming periods and advertising on Radio Rumbos

As previously noted, the programming of Radio Rumbos consists of nine daily periods which are repeated, virtually unchanged, from Monday to Friday.

Table III.4 demonstrates that the advertisers have definite preferences when placing their advertisements in certain programmes. The fact that advertisements are not placed indiscriminately in the different types of programmes points to the fallacy of the advertisers' "public service" claim and highlights their search for specific strata of consumers in the listening audience. The table also shows that high proportions of advertising are concentrated in specific programmes while other programmes have a much smaller amount of commercials.

There are two extreme examples of this process. First of all, 23.15 % of all advertisements are concentrated in the programming period entitled "Morning News", which represents only 14.50 % of the total programming analysed. Secondly, at the other extreme, the programming period entitled "Afternoon Radionovelas", which represents 11.71 % of the programming, only has 6.78 % of the advertisements. Based on these observations, certain conclusions may be drawn :

1) The various programming periods of Radio Rumbos are very dissimilar in that certain periods are favoured almost three times more than other periods for the placement of advertisements.

TABLE III.4

Programming and Advertisements on Radio Rumbos

Col. 1 Basic Description of Programmes	Col. 2 % Occupied by the Broadcast in the Programming Analysed	Col. 3 % of the Total Advertising Aired on the Programme	Col. 4 Coefficient Col.3/Col.2	Col. 5 : Predilection of the Advertisement for the Programme (Expressed in 'z' scores)
Morning News	14.50	23.15	1.60	2.04 (+)
Morning Radionovelas	20.53	19.76	0.96	1.47 (+)
Midday News	9.73	11.97	1.23	0.15 (+)
Afternoon Radionovelas	11.71	6.78	0.58	0.74 (-)
Afternoon Light Music	13.41	9.67	0.72	0.24 (-)
Afternoon News	6.73	9.31	1.38	0.31 (-)
Afternoon Entertainment	6.49	7.86	1.21	0.55 (-)
Evening Light Music	8.51	5.73	0.67	0.91 (-)
Evening Sports	8.38	5.78	0.69	0.90 (-)

The 'z' values in Column 5 were calculated without taking into consideration the duration of each programme. This procedure is justified on the basis of the assumption (unproved) that each programming period is equally attractive for the placement of the advertisements.

Col. 2 : 100 % = 80 hours of programming analysed, including advertisements.

Col. 3 : 100 % = all of the advertising in the 80 hours analysed = 23 hours, 8 minutes, 6 seconds.

2) This observation may be interpreted as an indication of the advertisers' search for specific target audiences.

3) There is a major tendency in the differential concentration of advertisements in the various programme periods : twice as many advertisements are aired during the news periods as during the radionovela and musical programming periods.

Diversity of advertisements within one programming period

The assumption according to which the various programming periods are equally attractive for the insertion of announcements has a parallel argument for advertisements aired within each of these periods. If there was no special interest in appealing to a specific consumer strata, then it would follow that none of the programmes would have advertisements whose composition would allow for an imbalance in terms of advertising time purchased by advertisers within the same programming period.

This assumption is clearly contradicted by the week of Radio Rumbos broadcasts which we analysed : using "z scores" to calculate the distribution of advertising time purchased by the various types of advertisers, we find that Radio Rumbo's advertising contracts allow certain advertisers to have concentrated periods of commercial announcements that are much higher than what would be probable in a system which actually offered "rotating spots" within the programming. Based on Table III.5 the following observations may be made :

1) The programming period designated as "Afternoon Entertainment" has the highest values (Z = +3.49) for the concentration of a certain type of announcements, which in this case are sponsored by State institutions.

2) "Afternoon Radionovelas", "Afternoon News" and "Morning Radionovelas" also have a high degree of concentrated advertising sponsored by specific types of advertisers. The values exceed +3'z'.

3) Except for "Evening Light Music", whose 'z' values do not reach +2, all of the programming periods not mentioned in a or b exceed this limit ; in two cases ("Morning News" and "Midday News") the values are very close to +3'z'.

Table III-5

Levels of concentration of advertisements/Announcements for each category of products/Services in each of the programming periods

Categories of announcements/ advertisements	Morning news	Morning radionovelas	Midday news	Afternoon radionovela	Afternoon music	Afternoon news	Afternoon entertainment	Evening music	Evening sports
4101	(-) .70	.73	(-) .51	1.00	2.20	(-) .50	(-) .53	.57	(-) .98
4103	-	(-) .56	.08	(-) .50	(-) .21	.08	.11	(-) .30	.67
4104	(-) .63	1.09	-	(-) .21	(-) .43	-	-	-	-
4105	-	-	-	-	-	-	(-) .73	1.22	(-) .91
4106	(-) .01	(-) .49	(-) .54	(-) .65	(-)1.04	(-) ..7	.04	(-) .77	-
4107	(-) .42	(-) .37	-	-	-	-	-	-	-
4108	1.76	(-) .09	.37	.01	1.23	.45	.11	.66	2.17
4109	-	-	(-) .98	-	-	-	-	-	-
41091	-	-	(-) .63	-	-	-	-	(-)1.06	(-) .32
4112	-	(-) .15	-	-	-	-	-	-	-
41121	(-) .34	2.29	(-) .01	.74	1.43	(-) .73	(-) .06	-	-
41122	-	-	-	-	-	(-) .62	-	-	-
4113	.72	.21	(-) .51	(-) .36	(-) .91	(-) .71	(-) .01	.33	-
4114	-	-	-	-	-	-	-	-	(-) 1.20
41142	-	-	-	-	-	-	.23	(-)1.1.	-
41143	-	-	-	-	-	-	-	-	(-) 1.17
4117	.34	-	-	-	-	-	-	-	-
4121	(-) .94	-	(-) .31	-	-	(-) .43	-	(-)1.16	-
4122	-	-	(-) .21	-	-	(-) .49	-	-	-
4123	-	-	-	(-) .63	-	-	-	-	-
4124	(-) .89	-	(-) .95	-	-	(-) .63	(-) .19	.48	(-) .29
4125	(-) .89	(-) .38	(-) .85	(-) .18	(-) .76	(-) .54	(-) .56	1.93	(-) .50
4126	.45	3.09	2.80	3.33	.62	(-) .15	.41	-	1.06
4127	(-) .50	(-) .62	(-) .77	-	-	-	1.28	.54	1.65
4128	.66	(-) .64	.95	(-) .14	(-) .32	.62	(-) .75	-	.59
421	(-) .93	(-) .55	(-) .91	-	(-) .10	-	(-) .62	(-) .05	-
422	.25	.23	1.15	.70	.21	1.22	3.49	(-) .74	.44
423	(-) .65	(-) .69	-	(-) .48	-	-	(-) .44	(-)1.15	(-) .91
424	-	(-) .71	(-) .91	(-) .80	(-) .90	(-) .76	(-) .74	-	-
432	2.87	(-) .65	1.24	-	(-)1.06	3.20	(-) .73	.57	(-) 1.14
433	(-) .68	-	(-) .89	(-) .90	-	-	-	(-)1.15	.59
434	1.66	(-) .42	2.07	.07	1.19	1.51	(-) .41	1.78	.23
435	(-) .24	(-) .72	.05	-	-	-	-	-	-
440	(-) .91	(-) .62	.15	(-) .80	(-)1.04	(-) .67	-	(-)1.12	-

Note for the reader: The 'z' score expresses deviation units in relation to the average, in 'standardized' references; the average corresponds to a value of z = 0; concentrations of advertising time above this average have positive z values; concentrations of advertising time below this average have negative z values. Z values above 2 are considered to be high; values that are close to 3 are considered to be extremely high.

We may conclude that in addition to the differential concentration of advertisements in the various programming periods of Radio Rumbos, within each one of the programming periods there are levels of concentration of advertising time which are much higher for certain types of advertisements than for others.

Four types of advertisers

In previous sections we have spoken indiscriminately of "advertisers". However, certain differences should be established between the different types of advertisers who have a specific interest in the various programming periods. We would distinguish between four types of advertisements which correspond to the previously established code : 41.., 42.., 43.., and 44. The manner in which these four types of advertisers distribute their announcements is presented in the following table :

TABLE III.6

Distribution of Advertisements for Radio Rumbos Programmes (In %)

Programme	Advertising	Politico-Institutional Announcements	Public Service Announcements	Individual Announcements
Morning News	13.31	1.77	7.97	0.10
Morning Radionovelas	17.40	1.61	0.58	0.17
Midday News	6.69	1.40	3.29	0.59
Afternoon Radionovelas	5.27	0.96	0.45	0.07
Afternoon Light Music	7.09	1.27	1.28	0.03
Afternoon News	4.01	1.53	3.67	0.11
Afternoon Entertainment	5.09	2.54	0.24	0.00
Evening Light Music	4.08	0.43	1.20	0.03
Evening Sports	4.30	0.55	0.93	0.00
TOTAL	67.23	12.05	19.62	1.10 (100 %)

100 % = 23 hours, 8 minutes, 6 seconds of total advertisements on Radio Rumbos for the 80 hours analysed.

A number of prevailing tendencies are evident : Commercial advertising is concentrated in the morning radionovelas, while institutional political announcements are, by preference, aired during afternoon entertainment programmes.

Public services announcements are generally broadcast during the morning news programmes while individuals place their announcements in the midday news programmes.

Taken as a whole, advertising is highly concentrated in the morning programmes mainly because commercial advertisements and public service announcements are aired during this period. The afternoon period is not very attractive for advertisers, in spite of the fact that this is a "peak period" for individual and institutional political announcements. (Both peak periods account for less than 5 % of the total advertising time).

With the exception of the public service announcements, which are generally broadcast during the news programmes, the strongest programming preferences of the advertisers would not seem to be directly determined by the contents of a specific programming period. For example, the private commercial sector has a definite preference for radionovelas broadcast in the morning but not in the afternoon. As for individual announcements, it is not actually correct to speak of a "preference" : the "concentration" of what represents scarcely 0.59 % of total advertisements undoubtedly does not reflect a "choice" made by the announcers but rather corresponds to the station's policy, according to which most of these announcements are aired during midday news programmes.

Programming, advertisers and audience : final remarks

In spite of the fact that the figures used in this study demonstrate unmistakeable preferences for the insertion of advertisements in the programming periods, it is nonetheless evident that these preferences do not allow us to detect patterns with a certain internal consistency. Although we have established definite connections between certain programming periods, there has not been a corresponding rationality which could be observed in the tables we have provided throughout this chapter. As an explanation for this phenomenon we would advance the following hypothesis : the programming preferences for the insertion of advertising are not based on criteria relating to the contents of the various programming periods, but rather on the composition of the listening audiences.

Although indirectly, this hypothesis raises the question of defining the audience in terms of its capacity "to choose". Supposedly, the audience is able to choose those programmes which it wishes to hear throughout the day and also select, within one period, the station that is broadcasting its preferred programme. In other words, the choice is both "diachronic" (throughout the day) and "synchronic" (different options within a limited time period). Although neither concept is entirely false, they are both subject to other determining factors and limitations : while the "diachronic" choice is severely restricted by the various other factors which determine "free time" for radio listening, the "synchronic" choice is considerably reduced by the competition between different radio stations which results in the same type of programmes being shown during the same time periods, a practice which completely negates any intention of complementary radio programming on a national level.

These limitations on the audience's actual ability to choose radio programmes allow us to make a somewhat radical postulation : the "mass" nature of radio messages has made it virtually impossible for listeners to make a specific choice. In fact, we are now confronted with a situation in which marketing and radio programming have so perfected their techniques for identifying the patterns of the use of social time for each "sector of consumption" that radio audiences have become "captive audiences" in the strongest sense of the term.

III. 7 Conclusions

Radio programming in Venezuela, with a "product" of more than one million hours of annual broadcasting time, is first and foremost characterized by the hegemony of the private sector. Thus radio broadcasting is dominated by commercial advertisements, which, in concrete terms, means that there are more than 56 million spots aired every year, which are inserted between approximately 5.5 million "light" songs, repeatedly broadcast in keeping with the weekly ratings. The majority of both the spots and the songs are provided by transnational corporations.

In the absence of rigorous, periodical monitoring of radio programming

at the national level, in this study we were obliged to use figures which were the result of extrapolation, based on studies whose "representative" nature cannot be vouched for. None the less, the existing tendency towards a monopolistic radio broadcasting structure compensates for the deficiencies of the study with respect to its "representative" nature, insofar as the majority of radio stations have "identical" programming. Because of the existence of "networks", "circuits", and "systems", many of the messages broadcast by the inland stations are identical copies of the programmes of the main stations in the capital.

This chapter has demonstrated, through various analyses, that the insertion of advertisements within a specific type of programming follows certain patterns which allow for a high level of concentration. Advertisers, far from adopting criteria of so-called "rotation", place their spots within the programming in such a way that they reach their target audiences as directly as possible. They have definite preferences for certain programme contents used to transmit their commercials. However, since this study did not take into consideration audience phenomena, it is not possible to make interpretations on the actual degree of "control" exercised by the advertisers, in terms of the effectiveness of their announcements. And yet the study was able to establish, beyond any possible doubt, that there is a definite connection between programme contents, the profit motive of the advertisers and the various "consumer strata" which, as specific audiences, are the target for commercial messages.

A N N E X I

(Chapter 1)

CONTROL OF THE USE OF RADIO SPECTRUM(1)

The Venezuelan State is now in the process of establishing a mechanism for the control and management of the radio spectrum : the Sistema de Comprobación Técnica de Emisiones Radioelectrica (SICOTER), (System of Technical Verification of Radio Transmissions). This is a State enterprise, attached to the Ministry of Transportation and Communications.

Background

Given that the radio spectrum is an extremely important natural resource for the functioning of various information media which play a vital role for services such as maritime and air navigation, telephones, military and government communication, and sound and audiovisual broadcasting, it is of utmost necessity to ensure its supervision and control.

It was in 1969 that the State formally proposed certain measures to guarantee, in practice, operations which were already stipulated in various laws and regulations. One such measure was the creation, in 1969, of the Consejo Técnico Nacional de Telecomunicaciones (National Technical Telecommunications Council). The first task of the council was to make a diagnosis of the prevailing situation in the country. Attention was drawn to a number of problems :

"There are no adequate norms or procedures for managing the radio spectrum and the country is completely lacking in a policy on the allocation or distribution of frequencies".

"There is no equipment for verifying complaints of interference from

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(1) This annex was written on the basis of two information sources : a) an interview with Engineer León Rincón, Director of Engineering of the General Sectorial Board of Communications of the Ministry of Transportation and Communications, and b) a report from the aforementioned office dated 12 August 1980.

special organizations working in such areas as international relations, defense, and justice. For this reason, there is no way of checking such problems as how stations without licenses broadcast, for there is not a single receiver available for such verification."

"Verification stations located outside of Venezuela (in the United States, Canada, Colombia, etc.) continuously register complaints of interference by stations operating on the national territory ; such problems can neither be verified nor resolved."

After this study was carried out, there were various unsuccessful projects initiated in 1970 and 1972 for elaborating a system for the technical verification of radio broadcasts. However, according to public declarations, the SICOTER system should be operational by the end of July 1981. The resurgence of this project may be attributed to the following factors :

1) The enormous increase in recent years of the purchase, sale and installation of radio broadcasting and receiving equipment, which has resulted in a situation whereby it is impossible to determine the ownership of this equipment due to haphazard control mechanisms.

2) The increased use of this resource for the internal communication systems of numerous commercial and industrial enterprises (banks, oil companies, etc.).

3) The congestion of the radio spectrum in the cities of Caracas and Maracaibo, as a result of this situation.

4) The increasing need to control radio interference in our unprotected frontier areas and even in inland regions, since there is as yet no way of detecting irregularities, in spite of the rules agreed to by the member countries of the International Telecommunications Union (ITU).

Objectives

The objectives of SICOTER are as follows :

1) To ensure that the use of the radio spectrum makes a maximum social and economic contribution to the security and welfare of Venezuelan society.

2) To establish and maintain adequate co-ordination between spectrum

users, so as to avoid interference and disturbances.

3) To facilitate the collection of information for national and international planning of radio services.

4) To collaborate with the international network of stations verifying radio broadcasts and with the ITU for a more rational use of the spectrum.

Operational aspects

In order to ensure optimum operation of the project a study has been carried out on the present overall characteristics of distribution, location and use of the radio spectrum and on the most suitable technical possibilities. As a result of this study, the following installations have been foreseen :

- two primary fixed stations in Caracas and Maracaibo, which will operate in the frequency range of 10 khz to 1000 Mhz.
- three secondary fixed stations in San Cristóbal, San Felipe and Maturín, which will operate in the frequency range of 10 khz to 300 Mhz.
- four mobile stations which will operate in the frequency range of 10 khz to 1000 Mhz and which will provide support for the fixed stations.

A N N E X II

(Chapter 2)

RUMBOS SYSTEMS C.A. - ADVERTISING RATES (Valid as of 1 November 1980)

(in Bolivars : 1$ = B4.30)

STATIONS		PRICE FOR SPOT OF : 10"	20"	30"	40"	60"
Eastern Area						
R. Barcelona (Barcelona P. La Cruz)	M-S	539.00	770.00	1,078.00	1,509.00	2,000.00
	Inter	350.00	500.00	700.00	980.00	1,300.00
R. Sucre (Cumana)	M-S	539.00	770.00	1,078.00	1,509.00	2,000.00
	Inter	350.00	500.00	700.00	980.00	1,300.00
R. Maturín (Maturín)	M-S	539.00	770.00	1,078.00	1,509.00	2,000.00
	Inter	350.00	500.00	700.00	980.00	1,300.00
R. Puerto Ordaz (Ciudad Guayana)	M-S	539.00	770.00	1,078.00	1,509.00	2,000.00
	Inter	350.00	500.00	700.00	980.00	1,300.00
R. Guayana (Upata)	M-S	490.00	700.00	980.00	1,260.00	1,820.00
	Inter	318.00	455.00	637.00	819.00	1,183.00
R. Carúpano (Carúpano)	M-S	490.00	700.00	980.00	1,260.00	1,820.00
	Inter	318.00	455.00	637.00	819.00	1,183.00
R. La Voz del Tigre (El Tigre)	M-S	390.00	525.00	735.00	1,029.00	1,365.00
	Inter	254.00	341.00	478.00	669.00	887.00
Western Area						
R. Maracaibo (Maracaibo)	M-S	588.00	840.00	1,200.00	1,650.00	2,200.00
	Inter	382.00	546.00	780.00	1,072.00	1,430.00
R. Libertad (Cabimas)	M-S	420.00	600.00	840.00	1,176.00	1,560.00
	Inter	273.00	390.00	546.00	764.00	1,014.00
R. Táchira (San Cristóbal)	M-S	539.00	770.00	1,078.00	1,509.00	2,000.00
	Inter	350.00	500.00	700.00	980.00	1,300.00
R. Altura (La Grita)	M-S	273.00	390.00	546.00	764.00	1,014.00
	Inter	177.00	253.00	354.00	496.00	659.00
R. El Sol (La Fria)	M-S	273.00	390.00	546.00	764.00	1,014.00
	Inter	177.00	253.00	354.00	496.00	659.00
R. Cúmbre (Mérida)	M-S	350.00	500.00	700.00	980.00	1,300.00
	Inter	225.00	325.00	455.00	637.00	845.00
R. Trujillo (Trujillo)	M-S	350.00	500.00	700.00	980.00	1,300.00
	Inter	227.00	325.00	455.00	637.00	845.00
R. Turismo (Valera)	M-S	420.00	600.00	840.00	1,176.00	1,560.00
	Inter	273.00	390.00	546.00	764.00	1,014.00

STATIONS		PRICE FOR SPOT OF : 10"	20"	30"	40"	60"
Central-Western Area						
R. Punto Fijo	M-S	490.00	700.00	980.00	1,260.00	1,820.00
(Punto Fijo)	Inter	318.00	455.00	637.00	819.00	1,183.00
R. 1.400	M-S	400.00	600.00	850.00	1,100.00	1,600.00
(Marinas)	Inter	240.00	360.00	510.00	660.00	960.00
R. Juventud	M-S	540.00	840.00	1,200.00	1,560.00	2,280.00
(Barquisimeto)	Inter	324.00	504.00	720.00	936.00	1,368.00
Central-Northern Area						
R. América	M-S	540.00	770.00	1,078.00	1,509.00	2,000.00
(Valencia)	Inter	350.00	500.00	700.00	980.00	1,300.00
R. Zaraza	M-S	273.00	390.00	546.00	764.00	1,014.00
(Zaraza)	Inter	177.00	253.00	354.00	496.00	659.00
R. Armonía	M-S	364.00	520.00	728.00	1,019.00	1,352.00
(Valles del Tuy)	Inter	236.00	338.00	473.00	662.00	778.00

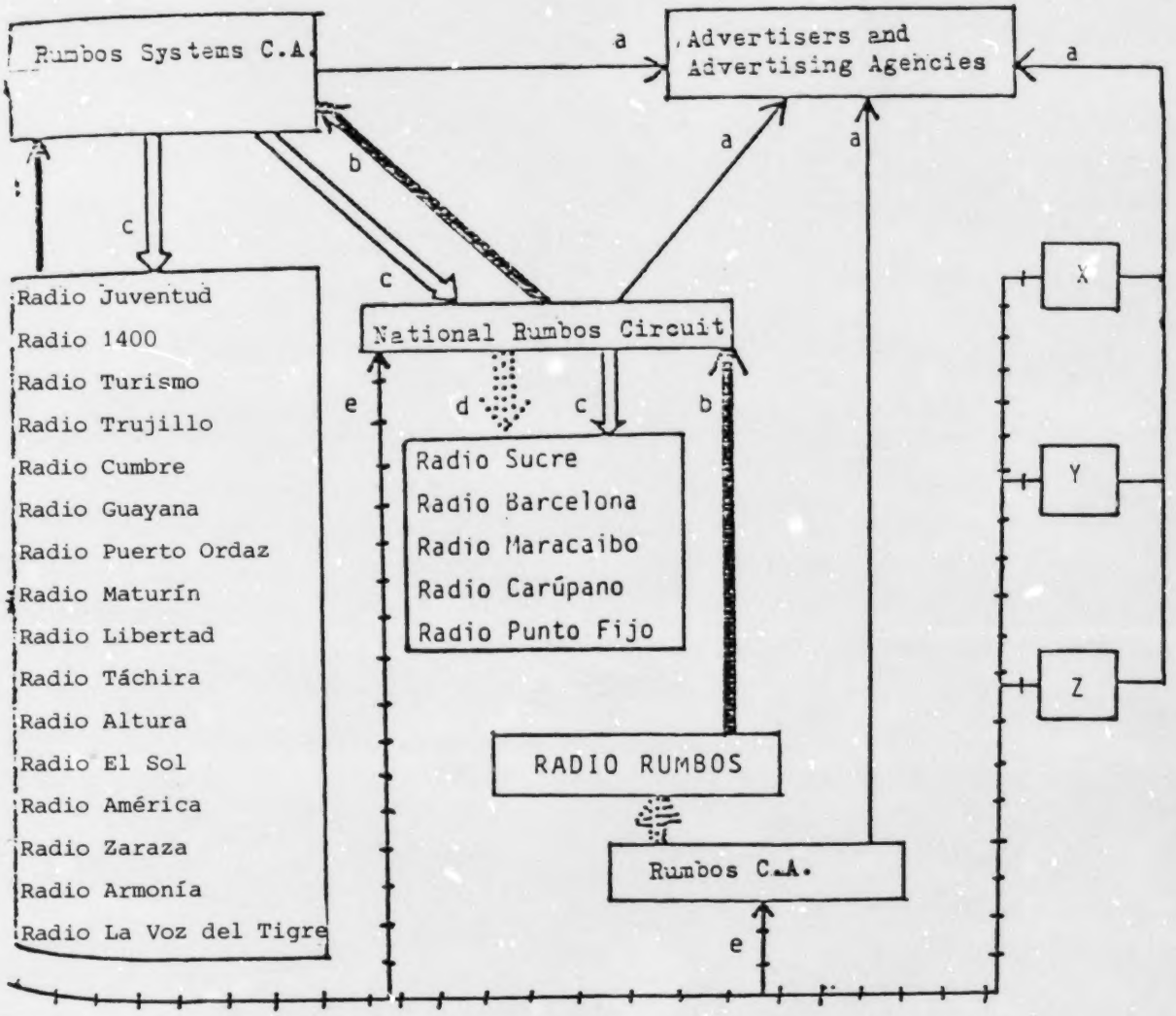
Note : M-S = Monday - Saturday
Inter = Intermittent

Source : Rumbos Systems C.A., 4th Trimester, 1980, p.3

ANNEX III

(CHAPTER II)

Relations between the components of the Serrano Group (Radio Rumbos) and between this group and advertisers and advertising agencies



a — sells advertising to

b — relation of affiliation

c — places advertising

d — ownership relation

"buys" time (programming spaces)

X-Y-Z- = independent producers of programmes or sporting events, musicals or special features (with high ratings); sell advertising only for these programmes.

A N N E X IV

(Chapter 3)

DISTRIBUTION OF THE POPULATION BY SOCIO-ECONOMIC CATEGORIES (1980)

Category	Characteristics of Each Category	Estimated Monthly Income per Household (1)	Percentage of the Population (2)
A	This is the so-called "rich" class, which lives in comfort and luxury. Its members own their own homes or villas, as well as several automobiles. The heads of family are, for example, businessmen, owners of large enterprises or factories, banks, etc.	More than B25,000 (More than $5,814)	1.0
B	This is the upper class, made up of university graduates, managers or owners of middle-sized businesses. Its members are able to afford almost all luxury items. They usually own their own homes and one or more automobiles.	From B15,000 - B25,000 ($3,488 - $5,814)	2.0
C1	The middle class is composed of families which are not lacking in material comforts and which can even afford certain luxury items. They live in houses or apartments which they own or rent. They usually have one automobile. The heads of family work, for example, as tradesmen, manufacturers, mid-level executives, teachers, etc.	From B12,000 - B15,000 ($2,791 - $3,488)	4.0
C2		From B8,000 - B12,000 ($1,860 - $2,791)	20.0

D1	The lower or working class : they live in very modest homes, with the basic essentials but little or no luxury. Their standard of living, although not destitute, does not allow them to be considered as middle class. This category would include factory workers, office workers, public transportation workers, etc.	From B5,000 - B8,000 ($1,163 - $1,860)	14.0
D2		From B2,000 - B5,000 ($465 - $1,163)	26.0
E	The poor class lives in conditions of poverty and destitution. Their homes are extremely inadequate and lacking in basic comforts. The members of this class usually do not have steady employment. They are employed as unqualified workers, day labourers, maids, etc.	Less than B2,000 (Less than $465)	33.0

Notes : (1) Levels of income estimated by J. Walter Thompson

(2) Datos C.A.